

CONTINENTAL SELLING PRICES: AUSTRIA Sch.15; BELGIUM Fr.25; DENMARK Kr.1.5; FRANCE Fr.3.8; GERMANY DM1.0; ITALY L.500; NETHERLANDS Fl.1.4; NORWAY Kr.3.5; PORTUGAL Esc.20; SPAIN Pes.40; SWEDEN Kr.3.25; SWITZERLAND Fr.2.5; IRE L.5

On stream On time With Copper-Neill On site

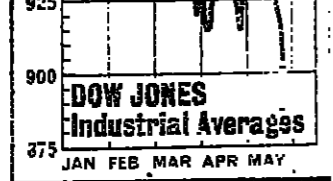
MAN IN WOOL Drummond's Suits ask your tailor!

GENERAL Leyland clear, chief claims

British Leyland's investigation of... clear, chief claims

BUSINESS Gilts lose 0.56; Wall St. off 9.16

GILTS were hit by worries about inflation... Wall St. off 9.16



Labour should give 'quit EEC' pledge says Left-wing

BY RUPERT CORNWELL, LOBBY STAFF The pent-up frustration at Mr. James Callaghan's policies among Labour's Left-wing exploded last night...

Pensions to rise 14.4% in November

BY ERIC SHORT WEEKLY old age and widow's pension rates are being increased by 14.4 per cent...

Table with columns: Retirement and Widows' Pensions, Single Person, Married Couple, etc.

Dutch detect basis for talks with gunmen

A bizarre general election day, with voters turning out in record numbers as the Cabinet met in emergency sessions...

Children first priority

BY MICHAEL VAN OS AMSTERDAM, May 25. THE 2 p.m. deadline which the gunmen set for their demands...

Rice give Raes stiff reception

Secretary to the Police... Rice give Raes stiff reception

WALL STREET closed at new low for the year, down 9.16

BRITISH STEEL will spend \$5bn. on investment over five years...

Murray warns against talk of 'Phase Three'

BY CHRISTIAN TYLER, LABOUR CORRESPONDENT MR. LEN MURRAY, TUC General Secretary, yesterday warned against talk of a Stage Three or Phase Three incomes policy...

Commons by Mr. David Ennals, Secretary for Social Services

He told MPs that under the terms of the Social Security Act 1975 pensions and other long-term benefits must go up in line with the rise in earnings or prices...

Rolls-Royce bids \$8m. for Foden

BY KEITH LEWIS FODEN, the specialist commercial vehicle manufacturer, yesterday found itself on the receiving end of a surprise \$8m. takeover bid from Rolls-Royce Motors.

to poll

to poll

Australia may mine uranium

URANIUM MINING in Australia, under stringent controls...

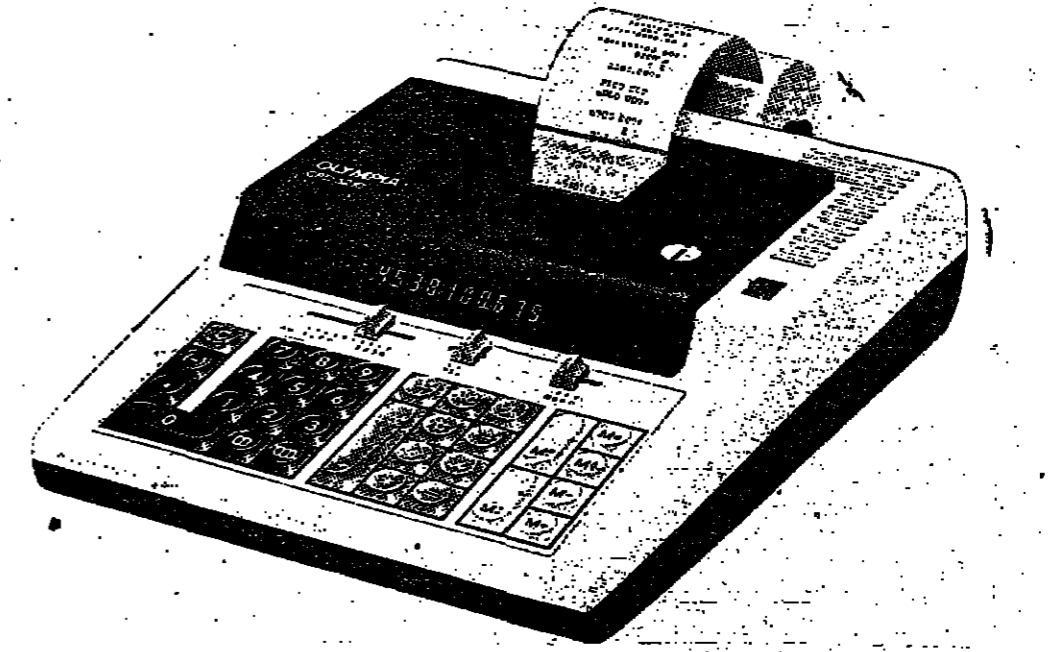
Rolls-Royce bids \$8m. for Foden

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in New York

Table with columns: Spot, 1 month, 3 months, 12 months

and a perfect memory.



Now Olympia gives you second sight and a perfect memory.

Olympia International Better Business Machines advertisement with calculator image and text.

CHIEF PRICE CHANGES YESTERDAY

Table listing price changes for various commodities like Wheat, Sugar, etc.

Table listing various market indicators and company news.

Handwritten signature or mark at the bottom of the page.

LOMBARD

How Mr. Hattersley could really help

BY ANTHONY HARRIS

IN THE ARGUMENTS now going on about what might or might not help to secure some sort of third phase of pay restraint, the voice of Mr. Hattersley, though hardly still or small, seems to have been a lone one. He is arguing that the best contribution the Government could make at this stage is to do something about prices directly. His favourite idea seems to be to hold back price increases in the nationalised industries and the Treasury, which has been struggling to get rid of subsidies for years, is understandably not enthusiastic.

Scepticism

Mr. Hattersley's idea seems to be that some action to check prices will be far more persuasive than the action the Chancellor has already taken to improve take-home pay and that is the whole of the proposal. I must share the Treasury's scepticism. Indeed, I very much doubt whether it will be any more persuasive than the action of the Government to offer to improve take-home pay and that is the whole of the proposal. I must share the Treasury's scepticism. Indeed, I very much doubt whether it will be any more persuasive than the action of the Government to offer to improve take-home pay and that is the whole of the proposal.

Objectives

It will no doubt be protested that operating from the price end was tried by the CBI in 1972, and it didn't work, but at that time the Government was committed to a policy of subsidising the nationalised industries, and was generally pulling in the wrong direction. In 1977 there are few industries so full of work that they could not afford to fight a dispute if their profits are to be maintained. The nationalised industries would have to be told that they must still achieve sensible economic objectives—a target real return on assets like the Post Office, rather than an ability to pay high interest rates on long-term borrowing.

RACING BY DARE WIGAN

Song of Songs should be winner at Brighton

POSSIBLY THE best performance by a three-year-old sprinter this season was given by Song of Songs when he divided Vigora and Ruffia Set in a tight finish at Epsom last month. He is conceding the two older horses 11 lbs and 9 lbs respectively. Mr. "Jim" Joel's colt carries 9 st 4 lbs in the Sussex handicap at Brighton, but in this instance he will be carrying a heavy burden of his own age and Brighton is a course ideally constructed for weight-carrying and those with blistering early speed, as possessed by Song of Songs.

SALEROOM BY ANTONY THORNCROFT

Queen Elizabeth I portrait medal sets world record

WHILE SOTHEBY'S was establishing new auction records at Mentmore, it also managed a new high in Bond Street where a gold medal portrait of Queen Elizabeth I sold for £22,000, a world record for a medal. It was bought by the London dealer Brand Linds.

EUROPEAN CUP FINAL BY KENNETH WATKINS

Smith signs off with Liverpool winner

TOMMY SMITH'S long career could not have ended on a more romantic note than it did in compensated for their FA Cup Final defeat on Saturday by beating the West German League champions, Borussia Moenchengladbach, 3-1 in the European Cup Final.

Unyielding

None of those pan-stricken defenders made it, but Stielike got there. However, Clemence long since saw the threat and as the ball Borussia forward shot the Liverpool goalkeeper was there smothering the ball with a brave save.

GOLF BY BEN WRIGHT

Oosterhuis shares the lead

PETER OOSTERHUIS battled through a north-north east wind gusting up to 30 mph at the Royal St. George's, Sandwich yesterday to share the lead at one-under-par 69 with the brilliant young Spaniard, Severiano Ballesteros, who completed his score in the first round of the 50th PGA Championship.



Peter Oosterhuis shared the lead with a one-under par 69.

Brewers pay £32m for leasehold of London hotel

SCOTTISH and Newcastle Breweries has bought the Kensington Palace hotel in London for £32m, and signalled its determination to start building up its hotel business again.

Army tour of Ulster duty to be extended

THE FOUR-MONTHS tour undertaken by Army units in Ulster to complete its part of new security measures ordered by Mr. Roy Mason, Northern Ireland Secretary, will be extended.

Furniture co-op books order

THE 50-MAN co-operative at Eastwood, North, formed when 500 men were made redundant by the cabinet division of Vickers, has obtained their first contract, worth about £400,000.

Marathon squad seeks £50,000 sponsorship

AN APPEAL for sponsorship of £50,000 over the next four years was launched yesterday by the British Marathon Squad.

Table with 2 columns: Time and Program Name. Includes BBC 1, BBC 2, and various news and entertainment programs.

F.T. CROSSWORD PUZZLE No. 3,390

Crossword puzzle grid with numbers in the starting cells.

- ACROSS
1 A chap is round about the ruler (6)
4 Change at last in the Constitution (8)
10 Delicate craft to keep you up the ticks (9)
11 Comparatively dull for one who may be after a lion (5)
12 A number express thanks for a letter (4)
13 It's grim, man, for those who settle here (10)
14 Carries on and finishes round the river (7)
15 Whose soul was sad and whose was glad (6)
16 Rescuer takes in fifty on a plate (8)
17 Order in a newsworld is a platitude (7)
18 Substandard loaf? That takes the cake (10)
19 Poems held in good esteem (4)
20 A point of view that sometimes may be right (5)
21 Prohibit abundance in this city (9)
22 Put a plea—have a bite in the lobby (8)
23 To which Leander used to swim (6)
24 A current producer is not short (10)
25 A short time in the money makes one ruler of Athens (5)
26 Most certain to get us up with the others (6)
27 Digits in this way including the doctor (8)
28 A soldier has to look at the detective (7, 5)
29 A second before this, and you settle by (10)
30 They leave you unsettled at the races (8)
31 An underdone piece may be savoury (7)
32 Are intelligent people to be found in bars? (8)
33 Press for the truth (6)
34 Nothing should answer (5)
35 Thus Beil with words (colours) in season's (Milton) (4)
36 SOLUTION TO PUZZLE No. 3,389

Solution to crossword puzzle No. 3,389, showing filled-in letters.

Table with 2 columns: Region and Program Name. Lists programs for various regions like Wales, Scotland, etc.

Table with 2 columns: Region and Program Name. Lists programs for regions like North, South, etc.

Table with 2 columns: Region and Program Name. Lists programs for regions like East, West, etc.

Table with 2 columns: Region and Program Name. Lists programs for regions like South-East, etc.

Table with 2 columns: Region and Program Name. Lists programs for regions like South-West, etc.

Table with 2 columns: Region and Program Name. Lists programs for regions like London, etc.

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EUROPEAN NEWS

French unions demand for wage negotiations renewed

ANXIOUS TO maintain the initiative created by yesterday's general strike, the leading French unions have renewed their demand for "real negotiations" on wages.

Speculation on cause of Podgorny's fall

THE SUDDEN and unexpected demotion of Soviet President Nikolai Podgorny leaves a gap in the ranks of the ageing Soviet leadership.

Polish Minister recuperating

MR. HENRY Kiesel, the Polish Finance Minister, is recovering in Warsaw from a major operation for what Polish sources say was at one time an "extremely dangerous" case of cancer.

THE MOLUCCANS A tightly-knit, isolated community

BY DAVID BUCHAN



A group of South Moluccans returns from the Bovensmidde school after a vain attempt to soften the gunmen's resolve.

DUTCH POLICE and Army today tightened their siege on the Moluccan gunmen in the Bovensmidde school in northern Holland, as the 2.00 pm deadline set by the gunmen came and went.

New West German measures to cut jobless

BY JONATHAN CARR

THE West German Government has approved new measures to counter unemployment and has changed its plan for a tax increase next year on grounds it might have dampened internal demand.

Bonn opts for Leopard tank

BY OUR OWN CORRESPONDENT

WEST GERMANY has moved a big step closer to re-equipping its tank forces to meet the challenges of the 1980s.

Swedish employers delay lockout for 24 hours

BY WILLIAM DULLFORCE

THE SWEDISH employers strike by 3,000 white-collar workers agreed this afternoon to postpone by 24 hours the lock-out against 220,000 white-collar workers.

Adair urges offshore plan

BY FAY GJESTER

PLANS FOR a floating "emergency station" to deal with offshore accidents were put forward at a news conference here this morning by U.S. oil-blowout expert, Red Adair, and his assistant, Mr. Adair does not, however, intend to have trained "well-killers" on the station at all.

Grim Denmark forecast

BY HILARY BARNES

PRIME MINISTER Anker Joergensen announced today that the government plans a special session of Parliament in August to tackle mounting economic problems.

THE BURNING AMBITION OF FULTON & WYLIE IS NOW BEING REALISED IN IRVINE.



When Fulton & Wylie were looking for a place to build their dream (and their profits) only one place shared their outlook. A place that was growing as fast as themselves. A place geared to controlled industrial growth that had the facilities and the room to expand.

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A lot of Moluccans lost their jobs recently in the Assen when a food canning factory closed down.

Ireland to vote on June 16

BY GILES MERRITT

THE IRISH Republic is to go to the polls in a general election on June 16.

Major setback for Soares Government

LISBON, May 25. A HEAVY blow has been dealt to Portuguese Socialist Government.

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JP 10 1:55

AMERICAN NEWS

U.S. steel workers agree income protection deal

BY JOHN WYLES
NEW YORK, May 25.
UNITED Steel Workers of America has made further gains in its campaign for comprehensive income protection for industrial workers with a new 10-year pay deal for the steel industry which is expected to increase labour costs around 30 per cent. The deal builds on a pact agreed with American steel companies in 1974 and provides for increased payments for workers who are laid off or whose jobs are downgraded.

NYC credit rating upgraded by Moody's

INDICATIONS of an improvement in the financial market's perception of New York City's finances emerged on Tuesday with a decision by Moody's Investors Services to upgrade its credit rating on city bonds and bonds of the municipal Assistance Corporation (MAC), Stewart Fleming writes from New York.
The MAC was specially set up as an independent agency to help New York with its finances. Moody's, one of the two key credit rating agencies whose judgments influence investors' attitudes towards fixed interest investments, raised the MAC rating from "B" to "B-A" and the city securities rating from "C-A" to "C". It was the first such move since Moody's lowered the ratings at the height of the city's fiscal crisis in 1975.
The decisions will probably help the stock market prices of the securities and also bring closer the day when New York can consider new finance, although this is still some way off.

Trudeau's Liberals retain four seats in Quebec

MONTREAL, May 25.
THE LIBERAL party of Prime Minister Pierre Trudeau retained four seats in federal Canadian parliamentary by-elections in Quebec yesterday, fighting off the challenge of Opposition candidates some of whom were tacitly supported by the separatist Parti Québécois.
Mr. Trudeau's party also scored a by-election success on Prince Edward Island, winning a seat there that had been held by the Progressive Conservative party for 25 years.
A fifth Quebec seat at stake was retained by the Social Credit party.
The Prime Minister told reporters in Ottawa that the Liberal victories could be attributed to his government's stand on national unity, its handling of the economy and the people's belief that his Cabinet could manage the country "in every sense."
With 10-day's results, the Liberal party holds 137 seats in the 284-seat federal parliament.
The fortunes of the federal Liberal party have slumped in Quebec in recent years—it has lost three out of four by-elections there since 1974—and 10-day's victories were a cause for celebration among party MPs in Ottawa. Reuter

Strikers' benefits may go

BY OUR OWN CORRESPONDENT
NEW YORK, May 25.
FEDERAL court ruling looks likely to bring to an end a 44-month strike in 1974-75 by New York Telephone company workers who reportedly received \$40m in unemployment benefits. District Court Judge, Richard Dent, has decided that the practice is unconstitutional because it puts the state on the side of strikers and conflicts with federal law.
His ruling has delighted business and industry here but angered union leaders who will see hard for the judgment to be overturned on appeal.

Car sales fall 5.2%

THE "Big Four" U.S. car makers have reported a 5.2 per cent decline in mid-May domestic car sales for which they blame uncertainty stirred by President Jimmy Carter's gas sapper and small car rebate plan. UPI reports from Michigan that industry sales for the May 1-20 period totalled 394,770, down from 310,889 during the same period in 1976. Only Ford Motor Company reported a sales gain.
But though sales were down, it still was the third-best mid-May showing ever and analysts said the industry still was well within reach of entering this year's predicted just weeks ago by top executives at Ford.

Mitchell manoeuvre

Lawyers for former Attorney General John Mitchell yesterday tried an unusual legal manoeuvre to win time for another attempt to keep his client out of prison for his part in the Watergate scandal. Reuter reports from Washington that the Supreme Court to delay notifying a lower court of its refusal to hear an appeal from Mr. Mitchell against a prison sentence of 30 months to eight years. Legal sources said that it was an unusual manoeuvre with little chance of success.

Senate, Carter farm Bill clash

BY JUREK MARTIN, U.S. EDITOR
WASHINGTON, May 25.
PRESIDENT Jimmy Carter's commitment to balance the budget within the next three years was directly challenged in the Senate last night when the Senate approved a Farm Bill costing far more than the Administration believes acceptable.
The key item in the bill concerns crop price supports. The Senate version, passed by a overwhelming 69-18 vote, provides for federal outlays in price supports averaging an estimated \$5.9bn. a year over the next five years.
The Administration's proposals envisage federal funding of about \$2bn per annum over the period. So concerned is the Government over the increased costs that President Carter has threatened to veto any bill of the magnitude endorsed by the Senate.
Earlier this week, Mr. Bert Lance, the Budget Director, warned that hard choices had to be made now if the goal of balancing the budget by the 1981 fiscal year was to be attained. This warning, however, was not heeded by the Senate, where a combination of farm state conservatives, protecting their agricultural constituencies and liberals, who have profound misgivings over Mr. Carter's financial austerity, triumphed.
The matter will now be taken up by the House, probably in four to six weeks time. The House agriculture committee has adopted crop price supports much closer to the levels favoured by the Administration, though still appreciably above them.
However, the House may not go along with the recommendations of its committee. The Senate, for example, ignored the arguments of Senator Muskie, its budget committee chairman, who claimed that the farm bill violated the budgetary ceilings laid down by joint congressional resolution earlier this month.

Venezuela mine closure

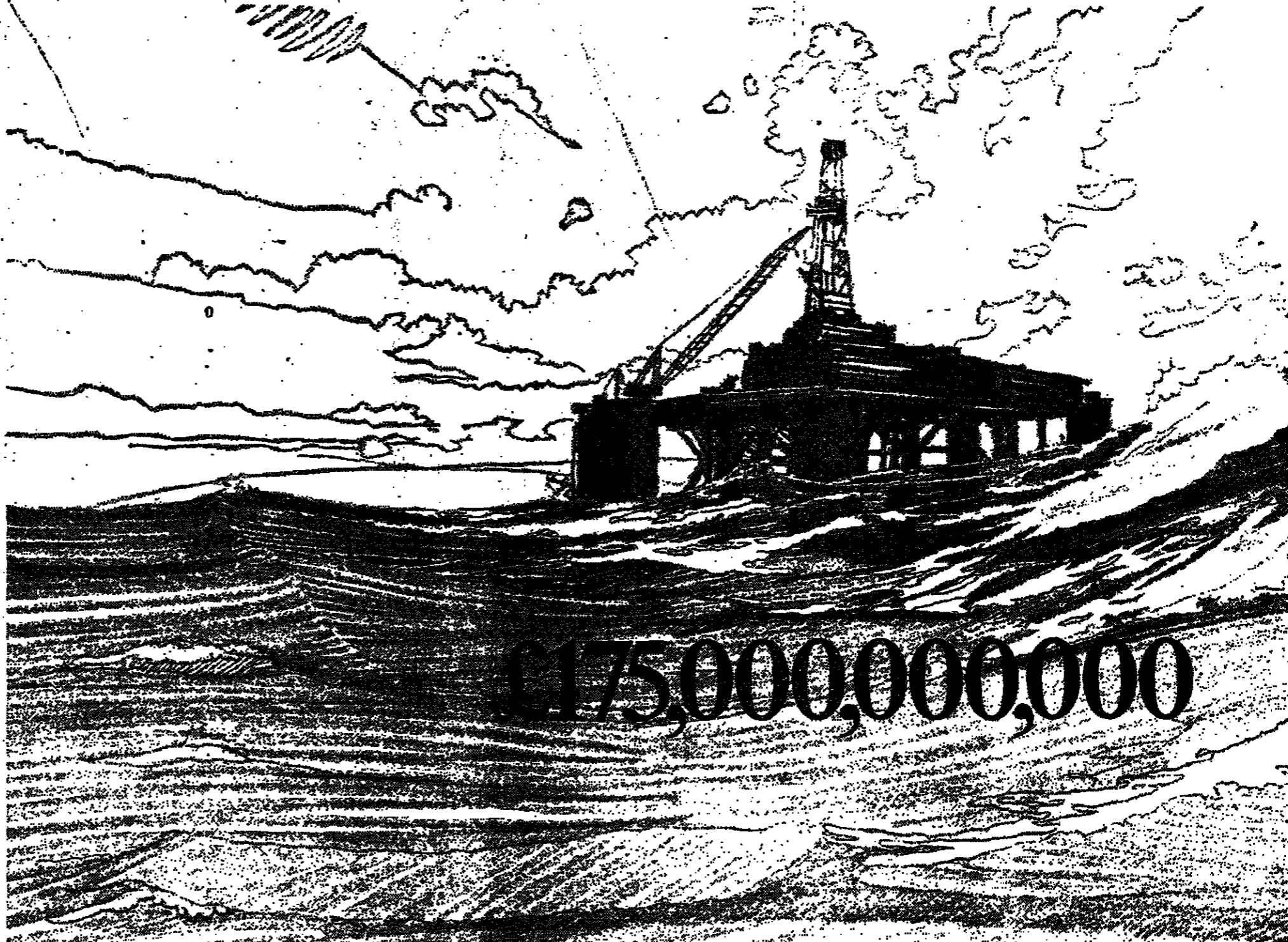
BY JOSEPH MANN
CARACAS, May 25.
THE VENEZUELAN Government announced today that it will temporarily close down operations at its Altamira iron mine due to depressed conditions in the international ore market.
Fernomena Ordono, the state utility which runs all of Venezuela's iron mining activities, said that work would cease normally at the country's largest iron mines in Cerro Bolivar and El Pao. The Altamira operation, still in the developmental stage, will be closed at the end of this month but will be kept under full maintenance.

Sparring points to Ottawa

BY W. L. LUETKENS
IT IS Mr. Morin's job to elaborate the proposal for an economic association with Canada which the PQ says it will want after association. In his interview he said that there should be a customs union and a common monetary policy after separation, leaving open whether there should be any other economic arrangement besides. A form of political superstructure was also possible, though it should fall short of anything with representative elected institutions.
One PQ minister has described the likely course of events in these terms: "As much separation as necessary—but not necessarily separation." The phrase aptly reflects the many ambiguities in the situation. Mr. Pierre Elliott Trudeau's federal government—are still at the sparring stage.
What is going on is very much a battle for the hearts and minds of Quebecers. It will be a most important element in that battle whether the PQ can provide that good government which it has promised, and it will have to do so to a great extent in the economic field. As anyone who recalls the preparations for the Olympic Games will know, labour relations in Quebec can be turbulent, especially in the construction and para-public sectors. The Lévesque Government so far has avoided trouble, partly because it has friends in the unions, partly because no important contract negotiations have come up during its tenure. But there have been some ominous noises from the labour front.
Mr. Lévesque and his Minister for Economic Development, Mr. Bernard Landry, are putting their faith in an experiment in social harmony. Representatives of labour, business, and the Government are taking part in a meeting this week, billed as an "economic summit" from which in due course the Government hopes elements of a "social contract" may emerge. For North America that is something novel, though similar efforts are being made in Ottawa at the federal Canadian level. Ample documentation prepared for the "summit" con-

At current prices, that's how much the total estimated reserves of commercially recoverable North Sea oil are worth.

Shell reckons the current account benefit to be over £5,000,000,000 by 1980. By any reckoning that's an impressive sum of money. For British industry it can mean the difference between further decline and a new competitive strength in the years ahead. The opportunity to invest this money well must not be missed. Whether it is the challenge of Britain's new oil wealth; the blossoming of a new idea; an analysis of opportunities in a competitive market; the prospects of pay-squeezed middle management; union attitudes to change—the chances are you'll find it in **The Engineer**. Every week it provides engineering management with practical information or work. It contributes to an understanding of the difficult problems



of change. It has an educative role; but it also speculates on the new technologies that fire the imagination. It enhances the standing of the engineering profession; it helps to safeguard high standards of management and to promote a consciousness of industry's place in, and duty to society at large. For more than 120 years **The Engineer** has been serving engineering management throughout industry. It

can claim with pride to have played a real part in helping to shape developments over twelve decades by promoting the spread of knowledge when it was the possession of but a few. It still pursues that aim with vigour today, from boardroom to toolroom, from design to purchasing, from finance to maintenance. And in the engineering industries it is the best-read publication—bar none. Every week more engineers and

engineering managers read **The Engineer** than read any national daily, quality Sunday or engineering monthly. The **ENGINEER** The Weekly for Engineering Management Morgan-Grampian (Publishers) Limited 30 Calderwood Street, London SE18 6QH Telephone 01-855 7777

WORLD TRADE NEWS

U.S. steel chief alleges dumping by Japan, EEC

BY STEWART FLEMING

NEW YORK, May 25.

ALLEGATIONS THAT Japanese executives of Japanese controlled companies on the West Coast were indulging in pricing practices which, if practiced by the Americans, would land them in gaol.

Finance problems force Weir to take business abroad

BY OUR OWN CORRESPONDENT

BRITAIN'S LEADING desalination plant manufacturers the Weir Group of Glasgow is threatening to take the business abroad because of difficulties in securing the necessary financial guarantees when tendering for overseas contracts.

Kuwait bans Matsushita goods

MATSUSHITA Electrical, the largest Japanese electronics company with annual sales of \$5.8bn, has been put on the Arab boycott list at the request of Kuwait, a spokesman for the company in New York confirmed this morning.

Hungary encourages more joint ventures

BY DAVID LASCELLES

HUNGARY HAS drawn up a new decree on joint ventures which makes it easier for foreign companies to invest in the country. In some exceptional cases, the foreign partner may even have majority control of the venture.

Turkey denies payments moratorium

ANKARA, May 25.

TURKISH CENTRAL Bank officials have denied reports that Turkey has imposed a moratorium on import payments but said some payments are being delayed because of the country's foreign exchange problem.

EEC should 'open up to free trading'

BY ROY ROGERS, SHIPPING CORRESPONDENT

A CALL for the Common Market to break down its external tariffs and open itself to free trading came yesterday from Mr. Walter, the newly-elected president of the General Council of British Shipping.

France aids computers

PARIS, May 24

THE FRENCH Cabinet has adopted a series of measures to help the computer, computer peripheral and machine-tool industries, a Presidential spokesman said.

EAST-WEST TRADE

The swings and roundabouts of barter deals

BY A. H. HERMANN, LEGAL CORRESPONDENT

MORE THAN 1,000 industrial co-operative deals have now been concluded between Western companies and the countries of Eastern Europe but the commercial and legal problems involved have probably frustrated many more worthwhile projects of this type.

The international bank with special expertise in Saudi Arabia

Saudi International Bank AL-BANK AL-SAUDI AL-ALAMI LIMITED 99 Bishopsgate, London EC2M 3TB. Telephone: London (01) 638 2323. Telex: 8812261/2.



King George's Fund for Sailors looks after them all

In this Country of ours, there is no-one who is not connected with the sea. Half the food we eat comes from across the sea. Many thousands of us, our relatives or friends are past or present members of one of the sea-faring services, or of an industry dependent on them.

KGFS King George's Fund for Sailors 1 Chesham St., London SW1X 8NF THE FUND FOR CHARITIES THAT SUPPORT SEAFARERS IN NEED AND THEIR FAMILIES

U.K. ECONOMIC INDICATORS

Table with multiple columns showing economic indicators for 1977 and 1976, including General, Unemployment, Currency reserves, Basic materials, Bank advances, etc.

OVERSEAS NEWS

U.S., Japan and Germany will let currencies 'limb'

WASHINGTON, May 25. R. MICHAEL BLUMENFELD, the U.S. Treasury Secretary, said today that the United States, Japan and West Germany agree that they will resist "market pressures" to let their currencies float.

The U.S. current-account balance payments, Mr. Blumenthal told a bankers' conference in Tokyo, is shifting to an \$11bn surplus in 1975 "a deficit this year of perhaps \$10-12bn."

"We accept that shift. We in a sense are not going to let currencies float at this level indefinitely," he said. "We receive substantial inflows of capital from OPEC (the Organisation of Petroleum Exporting Countries) and elsewhere and our overall position remains satisfactory."

Turning to other countries, Mr. Blumenthal said that the U.S. was required to "make a major contribution to current account payments deficits for her strong nations, such as Japan, West Germany, Switzerland and the Netherlands."

Governmental private bankers and international agencies such as the World Bank and the International Monetary Fund, he said, have responsibilities for calling for massive international payments imbalances, he said.

Final Fox Report allows mining but with stringent safeguards Only Ranger and Jabiluka given uranium go-ahead

BY OUR OWN CORRESPONDENT SYDNEY, May 25.

THE LONG-AWAITED second and final Fox report on uranium mining in Australia has been cleared for publication. It widens its studies to look at Australia's uranium deposits, but only with stringent controls and safeguards.

The report does not recommend either mining or a ban on development but its conclusions are based on the belief that development will be allowed. Given the Government's known policy to start uranium mining as soon as possible, approval could be given soon though, in the short-term, the report has dealt a blow to the hopes of early commercial activity for most companies which have made uranium discoveries in the Northern Territory.

The major recommendations of the Ranger Uranium Environmental Inquiry (known as the Fox report after its chairman, Mr. Justice Russell Fox) are: 1. Any uranium mines in the Northern Territory should be developed in sequence.

2. Only two mines should be considered at this stage—Ranger (discovered by Peko-Wallsend and EZ Industries) and Jabiluka (discovered by Minerals Energy and Chemicals). 3. The Government should be given power to suspend mining and cancel sales to countries not conforming to Australia's requirements on the use of uranium.

Boost for the Aborigines, blow to the mining camp

BY KENNETH RANDALL CANBERRA, May 25.

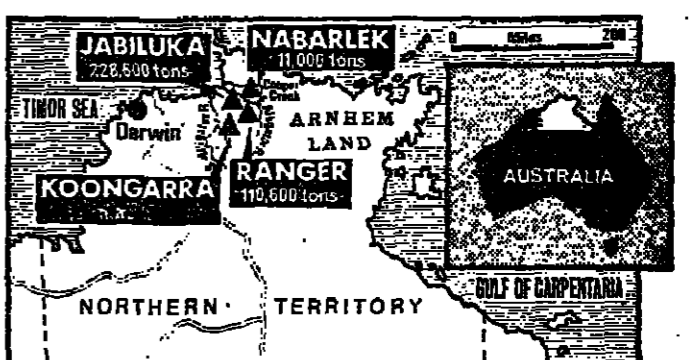
BARRING A total change in attitude by the Government the long-awaited environmental inquiry into Australian uranium development has dealt a blow to the hopes of early commercial activity for most companies which have made uranium discoveries in the Northern Territory.

The only Government reaction to the report last night indicated that it was in no hurry to move for at least a few more months. The Minister for Environment, Mr. Kevin Newman, said he could not put a time-frame on the Government's decision-making process.

Several uranium company officials, however, made it clear that they had expected a far more definitive view from the Fox commission and were bitterly disappointed at what they actually received. Mr. George Mackay, Secretary of the Australian Uranium Producers' Forum, acknowledged openly that the report had crystallised a sharp divergence of interests among his members.

Pragmatism. "But the report received a welcome from the Federal Council for the Advancement of Aborigines and Torres Strait Islanders. Marcia Langton, the General Secretary, said it recognised the disruption and even destruction of Aboriginal society that could occur in Arnhem Land if mining went ahead.

The Fox commissioners have been accused of political pragmatism—of avoiding a firm stance for or against the Government's known inclinations. Yet the commission's attitude has been consistent from the time it began taking evidence 21 months and 303 witnessings ago.



The case for and against each mine

BY OUR FOREIGN STAFF

THE report lays out a plan which could see an early start on mining only on the Ranger deposit. Even there, extensive and costly changes in the current development proposals would be required.

Although the commission rejects the Ranger project as proposed, it says that with changes it has suggested "the adverse environmental consequences of the proposal can be kept within acceptable limits."

This would be equivalent to a loss of AS\$4m at minimum production level or AS\$2.4m at high estimated production levels. The report said the Government might wish to consider compensating shareholders of companies experiencing delays.

Katzir reaffirms desire for peace

BY OUR FOREIGN STAFF

ISRAEL's next Government will withdraw its power to bring peace nearer, President Ezer Weizman Katzir told Mr. Samuel Lewis, the American ambassador, at a ceremony in Jerusalem yesterday for the presentation of his credentials.

The outlines of an American plan involving a two-stage Israeli withdrawal from occupied Arab territories as part of a final Middle East peace settlement were published yesterday in the influential daily newspaper Haaretz.

Similar warning stations would be set up on the Golan Heights, but each side would maintain them within its own lines. There would be a demilitarised zone, but Israeli forces would have easy access under the arrangement, to the Golan ridges which overlook northern Israel.

The true cost of flying Bally's boots helps them keep a foothold in Africa.



The true cost was low-priced skyrates offered by IAS Cargo Airlines for specialised all-freight services throughout the Eastern Hemisphere.

The shipment was a supply of fashion boots, flown by an IAS DC8 jet from London to Nairobi. Our tall-standing customer was Mike Webb, operations director for Bally Shoes Ltd, who comments: 'In a market so dictated by fashion, exporting systems must remain flexible to capitalise upon new opportunities.'

Table with 5 columns: Destination, Kano, Lagos, Nairobi, Lusaka, Khartoum. Prices listed in pence per kilo.

IAS CARGO AIRLINES logo and slogan: 'The low cost way.'

Africa 'will dominate conference'

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

SOUTHERN AFRICA, and the north-south dialogue are likely to dominate this year's Commonwealth Heads of Government meeting which opens in London in two weeks' time, according to Mr. Shridath Ramphal, Secretary-General.

Saudis rule out oil ban

BY DAVID BELL WASHINGTON, May 25.

PRESIDENT CARTER said today that Crown Prince Fahd of Saudi Arabia had assured him that his country does not intend to use its oil as a weapon to compel Israel to make concessions in the Middle East.

Pakistan faces budget problems

Pakistan's economic performance, jolted by the agitation that has followed March's general election, is falling short of expectations and raising up the 1977/78 budget.

viet walk-out

viet walk-out

ung goes home

ung goes home

HOME NEWS

Receiver put into Hacker Radio

HACKER RADIO one of the few small companies remaining in the British consumer electronics business, has gone into receivership.

Brick output decreases

By Michael Cassell, Building Correspondent BRICK PRODUCTION and deliveries fell last month, according to provisional estimates from the Environment Department.

Wintour launches attack on Vere Harmsworth

FINANCIAL TIMES REPORTER

THE SIMMERING bid battle between Associated Newspapers, which owns the Daily Mail and the Evening News, and Beaverbrook Newspapers, owners of the Daily Express and Evening Standard, erupted in a sudden and unexpected fashion in London yesterday, when Mr. Charles Wintour, managing director of the Express, launched a bitter attack on Mr. Vere Harmsworth, chairman of Associated.

"The only reason why Mr. Vere Harmsworth is chairman of Associated Newspapers," Mr. Wintour told an Automobile Association audience, "is that he is the son of the second Lord Rothermere."

speech by itself would have very little effect on the state of negotiations between Associated Newspapers and the Beaverbrook Group over the future of the Evening News and Evening Standard. Associated may also make a full scale takeover bid for Beaverbrook.

AA chief's directorship queried

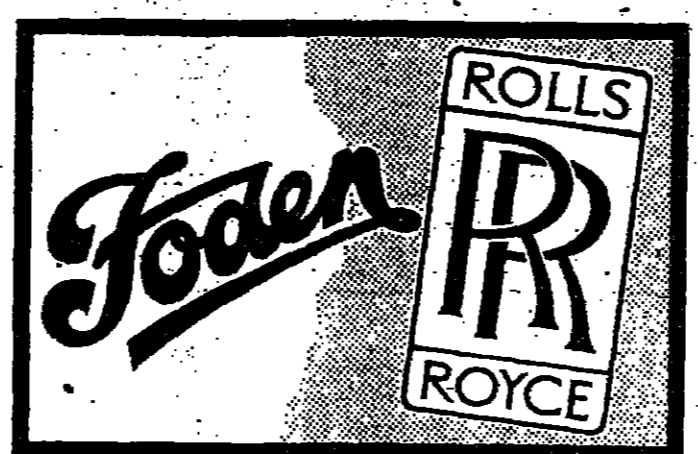
BY CHRISTOPHER DUNN

AUTOMOBILE ASSOCIATION adopted recently by Mercantile Credit.

NEWS ANALYSIS—ROLLS-ROYCE BID FOR FODEN

Two basic industrial problems that must be faced

FORECASTS OF continuing industrialisation in the European heavy truck industry have led to the future of Foden and ERF, Britain's two small independents, under question for the last 10 years.



put and, in so doing, add to its market share—a distinctly feasible proposition at that time because there was a great deal of slack in the market being taken up by imports.



WHY HAS THIS SYMBOL BECOME THIS IN 1977?



The symbol stands for 200 years of productive trading between the United Kingdom and South Africa.

Britain is still South Africa's most important market for her exports. British imports range from vital foodstuffs to essential raw materials.

And South Africa herself imports more than £600m of British goods every year (Britain in fact enjoys a healthy visible and invisible trade surplus with South Africa, helping redress her overall trade deficit.)

This traffic is vital to the economy of both countries, and is one of the chief reasons why South Africa has just completed a massive investment in the most modern containerisation facilities in the world.

Containerisation means faster freight handling, goods arriving in better condition, and less risk of pilferage. But if the economic savings of containerisation are to be enjoyed to the full those boxes have got to be full both ways.

We are here, at South Africa House, to give importers from South Africa, and potential investors in South Africa's ebullient economy, all the help we can.

We have always been a giant in the field of raw materials. This natural endowment is today linked with an industrial technology, and manufacturing resources which match any of the developed countries of Western Europe.

Capital investment in South Africa can be very rewarding as the expanding investments by many prominent world business leaders have proved.

Importers from South Africa know that delivery dates will be met, quality control will be stringent, and prices keen. For more information, please contact: The Minister (Commercial), South African Embassy, South Africa House, Trafalgar Square, London WC2N 5DP. Telephone 01-930-4488. UK/SOUTH AFRICA Trading partners for 200 years.

Accounting change 'should be gradual'

BY MICHAEL LAFFERTY, CITY STAFF

A CALL for a simpler and more flexible approach to implementation of current cost accounting came yesterday from the Hurd Group of top chartered accountants in industry.

£1m. John James claim

A £1m. claim against Mr. John James, head of the John James group, can go ahead, the Lords ruled yesterday.

Mr. Michael Birkett, former John James executive of Harford Close, Coombe Dingle, Bristol, is claiming £1m. in cash or shares for his services to the group.

Prices Bill power 'intact'

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE AMENDMENT to the Price Commission Bill on Tuesday was even though it was put down by a demonstration of the Government's belief that inflation would be visibly under control by the summer of next year.

NOTICE OF REDEMPTION To the Holders of Continental Oil International Finance Corporation

9 1/2% Guaranteed Debentures Due 1985 Issued under Indenture dated as of July 1, 1970

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the above-mentioned Indenture, \$2,500,000 principal amount of the above described Debentures have been selected for redemption on July 1, 1977, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, as follows:

Table with columns for Debentures of \$1,000 Each, listing serial numbers and amounts.

On July 1, 1977, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

CONTINENTAL OIL INTERNATIONAL FINANCE CORPORATION

NOTICE The following Debentures previously called for redemption have not as yet been presented for payment:

Table listing debentures not presented for payment, including serial numbers and amounts.

July 15 1977

HOME NEWS

Ironfounders look for £80m. Whitehall aid

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT. THE COUNCIL of Ironfoundry will be quietly dropped. Many associations have high hopes that government aid offered under a ferrous foundry scheme will be at least doubled to £80m. as this would be considerably more than the industry is asking.

July is Concorde's new Kennedy date

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

CONCORDE services between London and Kennedy airport, New York, are not likely to start until some time in July, instead of by June 20 as originally hoped. The delay results from this week's decision by the U.S. Court of Appeal to put off until Wednesday the hearing of the appeal by the Port of New York Authority against the earlier decision of Judge Milton Pollack in New York that the authority's ban on Concorde at Kennedy was illegal.

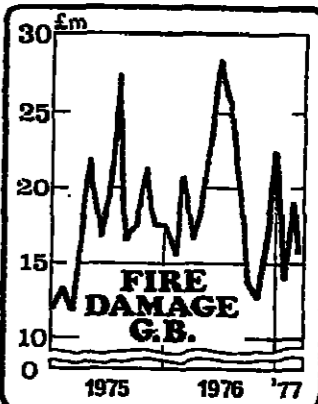
New Nairn plant to provide 250 jobs

By Ray Perman, Scottish Correspondent. A £14m. factory providing 250 new jobs is to be built in Kirkcaldy, Fife, by Nairn Floors, a Unilever subsidiary. Work would start immediately and the new 15,500 square yard plant would be in production by spring 1978, the company said.

Fires last month caused damage estimated at £15m.

BY ERIC SHORT

FIRES last month caused damage estimated at £15.6m, according to figures yesterday from the British Insurance Association. This was more than £3m. less than in the previous month and £1m. less than in April last year. Damage so far this year totals £71.1m. compared with £70.5m. in the first four months of last year, but the increase is due solely to heavy damage figures in January. The other months have had lower totals than in the same months of last year.



by fat pans overheating and more occur on electric cookers than on gas. ● Fewer children are dying from ignition of their clothing, perhaps because of legislation, more central heating, and increased public awareness. ● Fires started by smoking materials and space heating cause the most deaths. ● The incidence of malicious ignition and the number of deaths resulting from it has increased alarmingly. ● Fire Prevention 119. FPA's Fire Prevention Information and Publications Centre, Alderman House, Queen Street, London EC4N 1TJ. £1.50.

One third of architects may lose jobs

ABOUT A THIRD of British architects may be out of a job before next spring, according to a survey published yesterday. The plight of architects is highlighted by the survey published in the magazine Architects Journal.

New rail link introduced

A NEW daytime rail service between Stranraer and Carlisle will be introduced by British Rail, Scotland, on June 6. It will operate daily, except Sundays, until October 1.

Changes in Bill to help homeless attacked

THE GOVERNMENT was criticised yesterday of dropping crucial principles from a Bill designed to help homeless people. Mr. Nick Beacock, director of a Campaign for Single Homeless People, said "Major changes in the small print of this code mean all single homeless people are to be treated as a never-never land. They have been abandoned to keep certain councils quiet. The campaign says "hysterical attacks on the Housing (Homeless Persons) Bill are forcing the Government to back down."

Albright & Wilson deputy chairman of phosphates

Mr. W. M. Winstanley has been appointed deputy chairman of the phosphates sector of ALBRIGHT & WILSON from June 1 and will be based at Warley, West Midlands. Phosphates is the company's largest sector and is under the chairmanship of Mr. W. F. Fish. Mr. Winstanley is at present capital projects manager at the company's head office, a post he held since 1974.

Medical sickness annuity & life assurance society

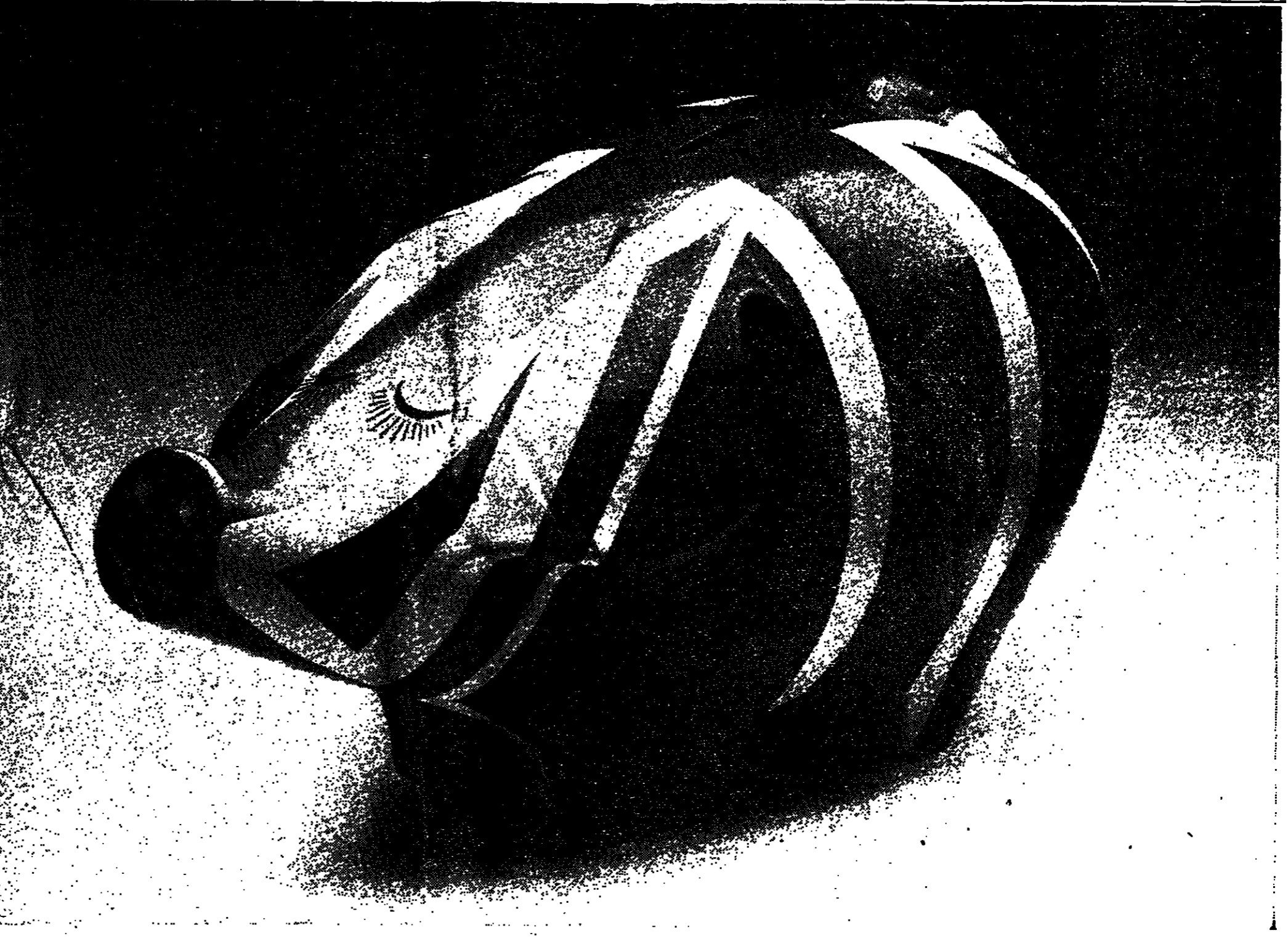
Mr. David Burnett, director general of the Periodical Publishers Association, has been re-elected president of the FEDERATION OF PERIODICAL PUBLISHERS ASSOCIATIONS within the SEC. Mr. Paul Whittier, chairman and proprietor of Edi Monde and Le Soir, in Paris, has retired as senior vice-president of the Federation and has been succeeded by Dr. Louck Van Vollenhoven of Holland.

Mr. Patrick Gallaher, chairman of North West Gas since 1974, has been installed as president of the INSTITUTION OF GAS ENGINEERS for the year 1977-78.

Mr. J. M. L. Evans and Mr. D. D. Kiddies have retired from the Board of AUSTIN REED GROUP. Both have been non-executive directors of the company for the past 25 years.

Mr. Jack Reid has been appointed managing director of the CROFT VEHICLE, a member of Dorado Motor Group.

Mr. Alexander Keungway has been appointed to the Board of THOMAS JOURDAN.



£2,350 MILLION THAT'S HOW MUCH GAS SAVED FOR BRITAIN LAST YEAR!

Year by year gas makes an increasing contribution to Britain's balance of payments. Last year alone natural gas was estimated to have saved us a staggering £2350 million, by reducing our dependence on imports of oil—and this year the saving will be even bigger. And despite the arrival of North Sea oil, gas will continue to help our balance of payments—for the less oil we use, the more we can export. If it surprises you to know that natural gas is making such a big contribution to Britain's balance of payments here's some more good news. If we use gas wisely, the vast reserves of this clean, efficient and economical fuel so far discovered are already enough to meet Britain's essential needs for decades to come. Natural gas is much too good to waste. So please help save it for Britain.

GREAT GAS SAVE IT FOR GREAT BRITAIN! BRITISH GAS

your International customers can dial you toll free from—Zurich, Geneva, Amsterdam, Frankfurt, Madrid and Barcelona.

HOME NEWS

Oil 'set to become biggest industry in British economy'

BY RAY DAFTER, ENERGY CORRESPONDENT

LIS SET to become the largest industry within the British economy, according to a stock-exchange report published yesterday.

The report says that the industry will make the U.K. an oil producer on an international scale with an annual output of 150m. tons in the early 90s, and provide the country with the means of substantially increasing the economic growth rate.

Dr. Roger Nightingale, an economist, and Mr. Douglas Gregor, an oil analyst, both in Hoare Govett, say that in 1985, Britain had not a real possibility of achieving a growth rate in line with the rest of Europe.

The report, published in the 60th issue of Commercial Union Assurance's *Hand-in-Hand* magazine, predicts that the underlying rate of progress for Britain's economy by the year 2000 will be 5 per cent a year.

This is expected to persist in spite of the disappearance of windfall gains from oil.

Cumulative benefits of the North Sea venture to the balance of payments, current account and total £50bn. by 1985 and

cigarette contents to tobacco and water would continue.

The cigarettes will present the second attack in four months on the growing low tax sector and emphasise the uncertainty that manufacturers feel about public attitudes to cellulose substitutes.

In July, all four major U.K. manufacturers will launch a 'cigarettes containing substitutes' following Hunter Committee approval at the end of March.

The concentrates, developed in Switzerland by the Tobacco Research and Development Institute, in conjunction with EC law, other manufacturers could be able to sell cigarettes containing additives. Until then, the present law restricting

British Steel opts for £5bn. expansion

BY ROY HODSON

THE British Steel Corporation has abandoned its current 10-year development strategy and has decided to adopt a five-year plan to modernise and expand its plant over five years.

The new strategy was outlined yesterday by Sir Charles Villiers, chairman, to the House of Commons select committee which has been inquiring into the corporation for the past 14 months.

Sir Charles had been called before the committee because members felt that fundamental questions about the future shape and profitability of British Steel remained unresolved in spite of 1,000 questions put by the committee to witnesses at previous hearings.

Sir Charles said the 1973 ten-year plan, which was to cost £3bn. at then present prices, had been overtaken by events. It had been based upon an expected growth of steel demand of 2.6 per cent a year. "We cannot now foresee a home market growth of more than 1.7 per cent," he said.

The 1973 scheme had been disrupted by unexpected factors, including the electricians' strike at Port Talbot, the one-year delay in commissioning the 10,000-tonnes-a-day blast furnace at Llanwern, South Wales. Government intervention to delay closure of some old plants until the end of the 1970s and delays in construction of steel plant.

Whereas the 1973 plan for British Steel envisaged raising crude steel production capacity from 27m. tonnes a year to about 35m. tonnes by the early 1980s, the new scheme will result in a more modest crude steel capacity target of 30m. tonnes by 1982. Extra capacity will come from new plant being built or in the last stages of planning.

British Steel believes that the new capacity target will match market needs recently identified by marketing analysis.

Sir Charles gave some details of the new plant which will raise capacity to 30m. tonnes. During the five years the capacity of the corporation to make strip mill steel will go up from 6m. tonnes a year to 8m. tonnes, including steel for tinplate and electrical steels. That figure does not include the planned £855m. expansion at Port Talbot, which has been frozen until the strike at the works has been settled.

Sir Charles told MPs that in view of borrowing limits imposed upon the corporation by Parliament and costs incurred by the Port Talbot strike there would have to be a postponement of the Port Talbot works' development. He could not give a date for the start of the programme while the strike continued.

British Steel's plate-making capacity is to be expanded by a 1m. tone a year plate mill on Teesside. The original plan was for a 2m. tonne mill. But in view of the poor market for plate there have been doubts whether the scheme would get off the ground at all. The mill will cost about £220m. The actual site had not been decided but it would be on Teesside. Negotiations with unions were in the final stages.

There are two competing sites for the proposed mill, at Hartlepool and at the Redcar site on south Teesside, adjacent to the new blast furnace. The Redcar site has the advantage that it is part of British Steel's most ambitious and newest steel complex. But the labour force to man the new mill lives on the north bank.

British Steel is going to reorganise its billet production during the coming five years but Sir Charles said he is not ready to announce detailed plans yet.

In other expansion areas of the corporation's business, stainless steel capacity is being doubled with the new Sheffield plant and the new electrical steels capacity is being developed.

Sir Charles said that if British Steel had made the correct investment prognosis it should recapture a bigger share of the home market to end the five years with a 70 per cent share. During the last two years the corporation's share of the home market had fallen as low as 53 per cent.

Sir Charles refused to give the committee a 15-year plan for British Steel. To forecast such a

PLANNED STEELMAKING EXPANSION IN BSC DIVISIONS

| Division | 1977/1978 | 1981/1982 |
|---|-------------|-----------|
| Scunthorpe | 4.6 | 5.8 |
| Sheffield | 4.6 | 4.6 |
| Scotland | 2.4 | 4.3 |
| Tubes | 1.7 | 1.2 |
| Teesside | 4.1 | 6.4 |
| Wales | 7.4 | 7.4 |
| Obsolete steelmaking capacity in open hearth furnaces due to be closed by the early 1980s | 2.4 | |
| Totals: | 26.6 | 30 |

Rothmans may use flavour booster

BY STUART ALEXANDER

THE tobacco industry is expected soon to seek permission to use a tobacco flavour booster on cigarettes in the U.K.

The company has already launched its SL brand, containing forms of the additive in West Germany, France, Belgium, Holland and Switzerland.

Mr. Alexander Orlov, chairman of the tobacco industry division of Rothmans International, said in Geneva yesterday that he would like to see a product tried in every market.

However, no launch could be made in the U.K. until October, when, under harmonisation of EC law, other manufacturers could be able to sell cigarettes containing additives. Until then, the present law restricting

Gartcosh scheme to cost £13m.

By Our Glasgow Correspondent

THE British Steel Corporation yesterday announced a £13m. development programme for its Gartcosh works near Glasgow, which will increase output of cold rolled strip and provide 200 new jobs.

Spending £10m. will increase production from the cold reduction mill by improving the pickling line and adding annealing and rapid cooling facilities; and £3m. will be spent on a coil inspection and tension levelling line to improve quality.

The 200 additional jobs will be filled over the next two years, with the development coming on stream by early 1980.

Gartcosh, now employing 1,100 people, takes half the product of the hot strip mill at BSC's Ravenscraig steelworks at Motherwell, where output is being doubled in 3.2m. tonnes a year under a £220m. redevelopment scheme.

Annual output from Gartcosh is planned to increase from the present 685,000 tonnes to 835,000 tonnes under the new scheme.

A survey among customers by British Steel in January produced the following views—

| Efficiency | Dealing with complaints | Product quality |
|------------|-------------------------|-----------------|
| Good/Fair | Fair | Fair |
| Good | Fair | Fair |
| Good | Fair | Fair |
| Fair | Fair | Fair |
| Fair | Fair | Fair |
| Fair | Fair | Fair |
| Fair | Fair | Fair |
| Fair | Fair | Fair |
| Good | Good | Good |

The next five years would be critical for the long-term future of the corporation. The strain upon profits would be intense as interest charges rose to between £200m. and £300m. a year. Involvement of the work force would be necessary. Management would require a high order of skill. "If we make a mess of the next five years I don't know what would happen to us. I think Parliament would lose its temper with us."

Sir Charles gave the following forecasts for the main British Steel divisions during the five years:

Scunthorpe: Always a profitable division; it should stay in profit; some capital expenditure on new ironmaking needed.

Sheffield: Another profitable division. Making a loss because of large-scale development work; should become profitable during the five years.

Scotland: Making a loss while plant reorganisation continued but should be profitable within the five years.

Tubes: Another loss-maker with serious problems concerned with ironmaking which would have to be solved.

Wales: Biggest of the British Steel divisions employing 85,000 and the biggest loss-maker; "Wales is manageable," said Sir Charles. "We must set objectives right and choose excellent management."

Municipal engineers urge more cash for roads upkeep

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

SPENDING on road maintenance must increase by about 20 per cent to prevent many roads developing serious structural defects, the Institution of Municipal Engineers said yesterday.

The Institution, in an unusually outspoken statement for an organisation representing local authority civil servants, said that Government constraints on council spending on roads had led to more accidents and higher insurance payments to those who had suffered injury.

Mr. Stuart Mustow, a county surveyor and a council member of the Institution, said it was impossible to quantify the increase in the number of accidents, but Municipal Mutual Assurance had reported a 15 per cent increase in claims last year, mainly resulting from injuries caused by inadequately maintained footpaths.

Cyclists and motorists were at considerable risk of death or injury where the edges of carriageways were particularly uneven.

It was a false economy to incur maintenance or to skimp on it, Mr. Mustow said.

The Institution said that the first of the critical cuts came in 1968-69 when maintenance expenditure was reduced by 15 per cent. At the time of local government reorganisation in 1974, it was estimated that only 30 per cent of the new counties had restored expenditure to its pre-1969 level.

The cuts totaling 15 to 20 per cent introduced in July 1975 had thus entailed "further reductions on an already unsatisfactory level."

The cuts were to have been effected over three years at a 6 per cent a year, although in a public spending White Paper published earlier this year the Government had cancelled phase three of the cuts. The cuts were still being made under the present council budgets and were causing serious concern.

MANAGERS in the civil service and the private sector had a great deal in common. Management was essentially about people and the key was the understanding of people and the relationships between them.

Sir Douglas Allen, head of the home civil service, told the Institute of Administrative Management in London last night.

In advising his Minister on policy questions, the senior civil servant would always be conscious of the problems involved in executing a change of policy.

Sir Douglas said, "Essentially, therefore, it will be the providers of advice to the Minister on the costs of the change of policy, on the earliest date it can be made effective, on the possibility of recruiting and training extra staff, and on the willingness of skilled staff to work any voluntary overtime which may be unavoidable if the desired timetable is to be met."

The long experience of senior civil servants in government made their advice an important influence in policy decisions but their advice did not decide policies.

The Government of the day has its own policy priorities and Douglas.

EEC road rules 'would not aid us'

By Ian Hargreaves, Transport Correspondent

THE ARGUMENT that imposing tougher EEC operating laws on British road hauliers would result in a big switch of traffic to the railways was countered yesterday by the Freight Transport Association.

Mr. Hugh Featherstone, director general of the association, said it had recently completed a survey of 72 companies which showed that although a change in the laws would increase the road transport industry's costs by £700m. a year, it would cause only 29,000 tonnes of traffic to be transferred in rail. That was only 0.01 per cent of present volume.

The EEC laws concerned are those cutting the lorry driver's day from ten to eight hours and making the use of the tachograph speed and distance plotting device compulsory in all heavy vehicles. Britain has so far balked at these issues.

Road haulage costs rose by an average 6 per cent in the first quarter of this year compared with 21 per cent in the same period of last year, according to figures compiled by the Road Haulage Association.

Civil servants' task one of management

BY JAMES McDONALD

whether or not these require an abrupt change of direction for the department, it is the duty of civil servants to help their Ministers implement them.

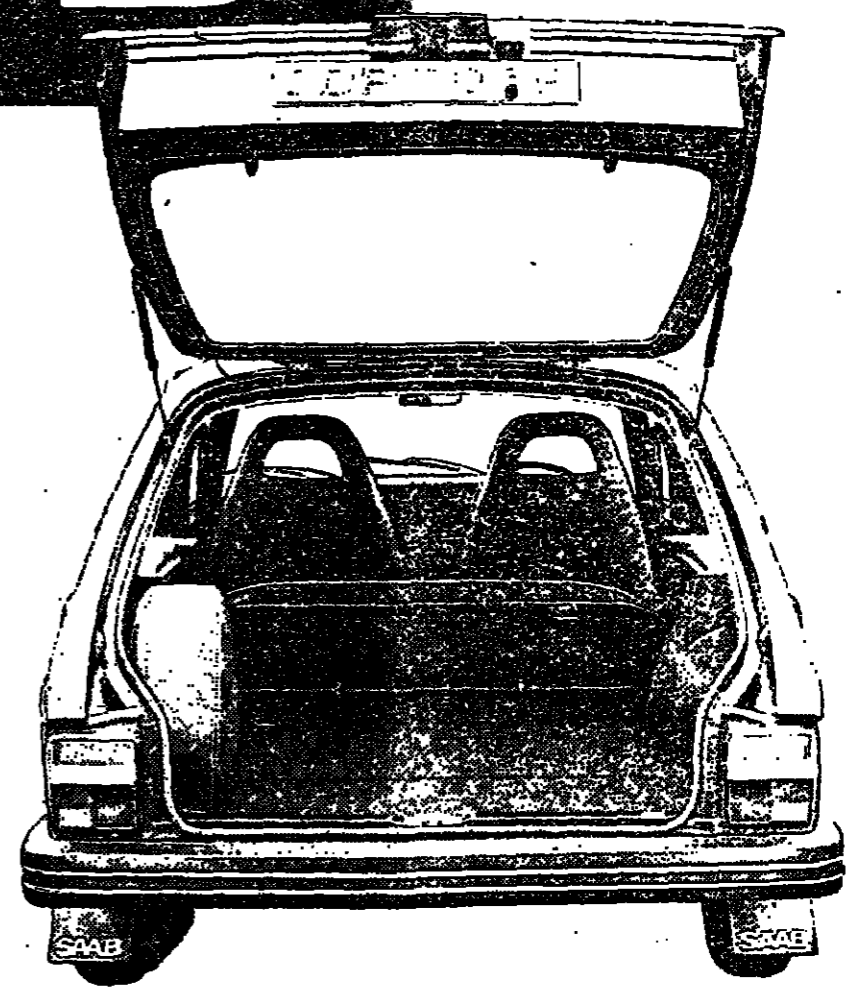
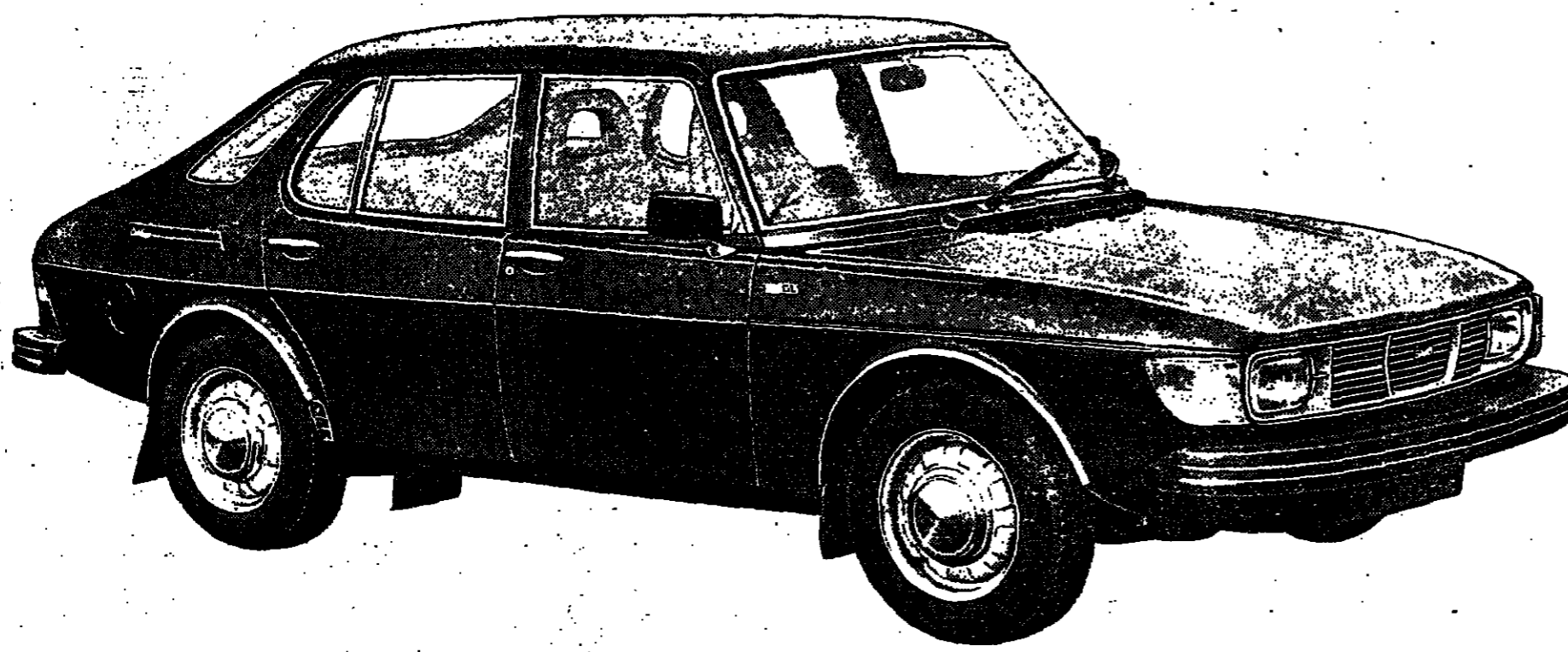
The most obvious contrast between them is the management task in the civil service and in the private sector was that the latter was both able to use, and had to use, profitability.

"Whether or not the unit run by the typical civil service manager survives leads to be a question of general governmental policy rather than of profitability, because the services it provides do not normally yield a return to the unit."

The management of a company operating in a commercial market could obtain an assessment of the best obtainable trade-off between quality and price as this was likely to be reflected in the success or failure of the product.

Because government departments are not able to pick and choose either their products or their markets in this way, other ways have to be found for deciding on changes in the level of a service.

"The withdrawal of a service, once initiated, tends to be a major political act," said Sir Douglas.



The Exclusive Coupés - The Practical Combis

The Saab 3 door and 5 door Combi Coupés, manual or automatic, are designed to give the discerning motorist an unmatched blend of: Comfort and versatility; performance and economy; safety, real driving pleasure and genuine long distance comfort for five adults.

The 2 litre engine gives power to reach 60 in just over 11 seconds, and over 100 mph where the law allows. Touring consumption betters 30 mpg.

These cars are built to the highest standards by SAAB-SCANIA of Sweden, an acknowledged leader in advanced technology and precision engineering.

Within a few seconds the 3 door and 5 door Coupés can be transformed into real Combis, with: 53cu.ft. of luggage space, over 6ft. long. Height from ground to floor is just 21 inches—and there is no high sill, so loading is easy.

As George Perry said of the 3 door Combi Coupé in the Sunday Times Magazine, 17th Oct. 1976:—

"Its performance was that of a sports car, its capacity for luggage better than many estates." Find out for yourself why the world's motoring press rates the Saab 99 Combi Coupés so highly—see your nearest Saab dealer for a test drive.



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PARLIAMENT and POLITICS

Ennals defends 13% inflation basis for pensions rise

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT'S decision to base next November's increase in social security benefits on an estimate of a 13 per cent. annual rate of inflation was greeted with open scepticism by the Conservatives and many Labour MPs in the Commons yesterday.

Mr. David Ennals, Social Services Secretary, had given the House the details of the proposed uprating but was repeatedly pressed to say what further action the Government would take to help pensioners should the estimate of inflation prove to be too low.

Mr. Ennals recalled that under the 1975 Social Security Act pensions and other long-term benefits must rise in line with the rise in earnings or prices, whichever is greater, and short-term benefits must rise in line with prices.

But doubts about the 13 per cent estimate were also expressed by Mrs. Barbara Castle (Lab., Blackburn), former Social Services Secretary. She thought the Government seemed to be gambling on the rate of inflation over the next five months.

Privilege reform proposals promised

BY PHILIP RAWSTORNE

PROPOSALS FOR reforming the rules of Parliamentary privilege are to be put to the Commons shortly, Mr. Michael Foot, Leader of the House, said yesterday.

The Committee of Privileges had been considering the whole question of the protection afforded MPs against attempts to influence or obstruct them in discharging their duties.

Press inquiry to see if Mail study is needed

BY RICHARD EVANS, LOBBY EDITOR

FOLLOWING REPRESENTATIONS from the Prime Minister yesterday, the Royal Commission on the Press is to consider whether its draft report adequately covers the issues raised by the Daily Mail allegations on British Leyland "slush fund" payments.

There were also indications that Mr. Callaghan, outraged by the Mail's handling of the story, is seeking to widen the Commission's consideration of the issue to cover the general question of political partisanship displayed by newspapers in their presentation of certain stories.

It had been a central feature of British journalism for many years that the editor was wholly and singly responsible for the contents of his newspaper. This responsibility cannot be shared off either to the proprietor or to subordinates.

Labour 'entryism' purge avoided

BY RUPERT CORNWELL, LOBBY STAFF

THE LABOUR Party is ringing down the curtain as quietly and unobtrusively as possible on its once much-vaunted campaign to root out extreme Left-wing infiltrators from its ranks.

This is the practical result of yesterday's approval by the policy-making National Executive Committee of the report on "entryism," drawn up by a special group of five MPs.

Labour Party members had basic reasons to disagree with much of Communist and Trotskyist doctrine. They were right to be anxious at an organization "trying to direct the action of its members within the Labour Party."

Labour Party members had basic reasons to disagree with much of Communist and Trotskyist doctrine. They were right to be anxious at an organization "trying to direct the action of its members within the Labour Party."

Minister still hopes Scottish FA will cancel Santiago match

AN ELEVENTH HOUR appeal to the Scottish Football Association not to go ahead with a proposed match in the Santiago stadium, Chile, was made by Mr. Frank McElhone, Under-Secretary of State, Scottish Office, in the Commons yesterday.

Mr. McElhone accepted that in the past the Government could not interfere in the affairs of the SFA. It had expressed its "deep concern" at the proposed match and hoped the decision would be reconsidered.

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Ombudsman law change plan

THE GOVERNMENT intends to amend the law to ensure that any restriction a Minister or a local Ombudsman have an unrestricted right of access to the public interest on disclosure information and documents by a Local Commissioner, must nevertheless supply him with such information and documents as he requires in the course of his investigation.

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ENTERTAINMENT GUIDE

CC—These theatres accept certain credit cards by telephone or at the box office

OPERA & BALLET
COLISEUM. 01-836 3161. (Licorice) Card booking 01-240 6258. LONDON'S NEW THEATRE. Tonight and Tomorrow 7.30. Saturday Mat. 2.30. From June 2 to July 16. NURSERY. 01-730 3161. Mon. 7.30. Sat. 2.30. S. O. with London and Festival Ballet. June 2 World Premiere.

THEATRES
DUKE OF YORKS. 01-836 3122. Live 8.00. Fri. Sat. 8.00 and 8.45. DENNIS HANSEN. LYNDIA BARON. GENUINELY HILARIOUS. Gdn. Seats from £1.50 to £10.00. 2nd SIDE-SPLITTING YEAR.

THEATRES
PALLADIUM. CC 01-437 7373. 8k. Nov. 30. 2 weeks Broadway's dynamic. CHITA RIVERA plus 3. FANK VALDOR. and his troupe of dancers with his Brazilian entertainment. dancer, singers and jugglers.

THEATRES
VAUDEVILLE. CC 836 9988. Eves. 8.0. Sat. 8.0. 2.30. 5.15. 7.45. 9.15. to a new play by HUGH WHITEMORE with MONA WASHBOURNE. Directed by CLIFFORD WILLIAMS. MUST END JUNE 25.

Written answers

Mr. Michael Marshall (Con. Arrived) For what reason value-added tax on video equipment is charged at 8 per cent and value-added tax on a door entry phone is charged at 12 1/2 per cent?

THOSE REQUIRING THE FT DAILY, PLEASE SIGN BELOW:
Mr. Robert Marshall (Con. Arrived) For what reason value-added tax on video equipment is charged at 8 per cent and value-added tax on a door entry phone is charged at 12 1/2 per cent?

Dare you circulate this?

If you did, you'd probably be amazed how many people would want the FT—and quite rightly. Shouldn't your department heads and executives be as well-informed as you are? Make sure they all have their own copies of the FT—every day.

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Midland Bank International  Delivers.

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GREAT NEWS FOR AUSTRALIAN BIRD FANCIERS.

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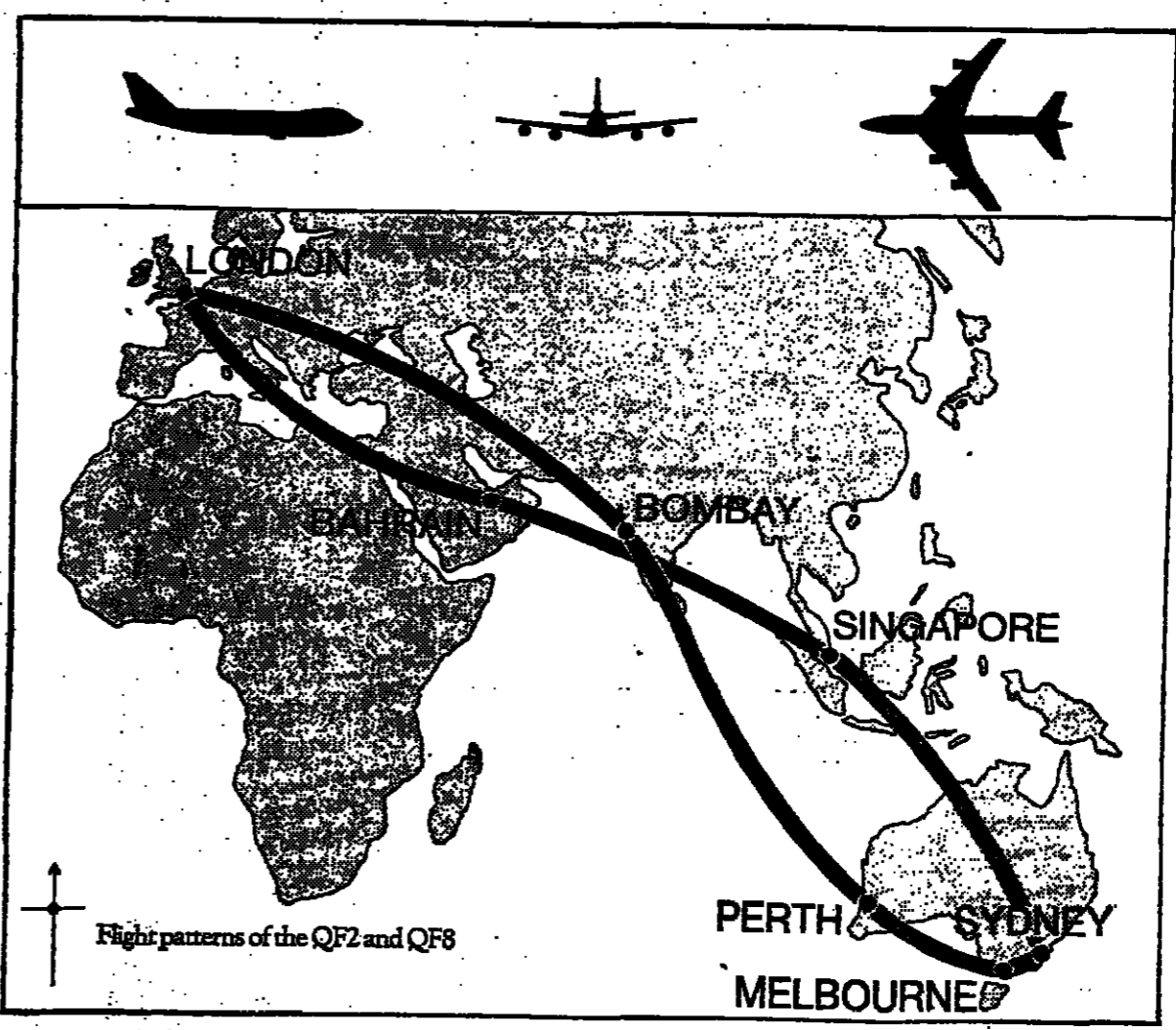
On June 16 Qantas introduce a Qantastic new schedule. With two stops to Melbourne or Sydney every single day of the week. Faster to Australia than any other airline. And all in long haul 747B's, specially designed for Qantas.

The new QF2 departs every Tuesday, Wednesday, Friday and Sunday at 2130 and calls only at Bahrain and Singapore before reaching Sydney and Melbourne.

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THE JOBS COLUMN

Change to teaching

BY MICHAEL DIXON

ABOUT 1,200 people are wanted by Gordon Oakes for emergency training as teachers of subjects in which the schools are short of specialist staff. The one-year training will start in September. To entrants not already employed as State-school teachers Mr. Oakes, as Minister of State for Education and Science, is offering tax-free allowances as follows: Basic £45 a week for single person, £10 a week extra for spouse and any other adult dependant, £3 a week for each dependent child; up to £15 a week lodging allowance or, if living at home while training, payment up to £15 a week of travelling costs in excess of 25 a week. Tuition fees will be paid from public funds. Announcing the offer yesterday, Mr. Oakes said suitably experienced people from industry and commerce would be more than welcome. "We need their knowledge of the working world as well as their teaching skills, and that's why we're offering them this opportunity to change to a career which, of course, can last for the rest of their lives." Candidates for the scheme—which is being financed to the tune of about £3.9m. channelled through the Training Services Agency and the Local Government Training Board—must be at least 28 and have been out of full-time education for five years or more. Admission will ultimately de-

pend on the university, poly-technic or college running the course, but there are certain guidelines as to qualifications required, and these vary with the type of "shortage subject" the person is to be trained to teach. For mathematics teaching (1976 shortage about 1,120 staff) a relevant degree or the equivalent will normally be wanted. For physical sciences teaching (shortage 424) much the same will apply. For those wishing to teach crafts, design and technology including engineering (shortage 525) the prime requirement is related experience in the working world, although a technological qualification at the level of the City and Guilds' full certificate or higher would be a definite advantage. Getting on the courses may not be easy for outsiders, because the scheme is also open to teachers in other subjects, on secondment, and the education system has a tendency to look after its own. But if any Jobs Column reader who applies from outside the system has evidence to show that the application is not being considered properly, I'll do my best to advance the complaint because injecting real-world experience into education is to me a matter of the first importance. While Mr. Oakes said there would be "very high" prospects

of getting a school job on completion of the training, this will not be guaranteed. But neither of finding something out about the jobs they were going to be interviewed for. They seemed just like the middle-class students of 15 years ago—well known, the young conformists. Remarkable! The phenomenon, which has spread perhaps by a process of osmosis, even to rather desperately liberated universities such as Sussex, is widely believed to be a reaction to the marked change in the demand by employers for new graduate recruits. There were fears already last year of a severe curtailment of the generally preferred opportunities in the Civil Service and other public services. But in the end an unexpected large number of university leavers seem to have clamoured on to the taxpayer's pay bill. The result is an unexpectedly minute increase between 1975 and 1976 in the total of new graduates who left unemployed at December 31, effectively from 5.4 to 5.5 per cent for university leavers, and from 7.4 to 7.8 for polytechnic graduates. But this year the public services have cut back heavily. Take for example the second-rated intake into the Civil Service, through the executive class, which graduates have lately taken over at the expense of 18-year-old school-

leavers. Three years ago there were about 7,000 openings in the executive grades, I'm told. Now there are only about 1,500. On the other hand there was talk among the university careers services earlier in the year of a relieving increase in the demand from the private sector, and at the drop of a mortar board advisers will still turn from scowling at the public sector outlook, to smiling at the buoyancy of interest from industry and commerce. But this is better news for some than for others. Industry's interest means that demand is holding up fairly well for graduates in technology and sciences. So there would be no need for a sartorial revolution by these people who, despite the liberation of youth, have anyway retained the image of being relatively short haired and straitlaced in their habits. (Though not always willingly, as witness the Keele student who said: "The trouble with being a scientist in a university is that you spend all afternoon in a laboratory, while your girl's in bed with an arts man.") It is the sharper threat of change to the job prospects of the non-numerate thousands from social studies and arts faculties—who are usually more associated with relaxed modes of dress—that probably explains the startling conspicuousness of the suits, skirts and

blouses among the interviewees, younger and less certificated groups. And since the country's output of graduates is still largely middle-class, the youngsters to whom the unemployment is exported are mostly the children of semi- and unskilled workers, and include—as one careers adviser said—"the bulk of the country's coloured teenagers." Another university adviser said that, while concerned about the social justice of this same effect, his misgivings would not be so bad if he felt that the basic attitudes of the emerging graduates deserved their preferential claim on jobs, particularly in the wealth-creating sector. "They may be going back to the smart appearance of 15 years or so ago, but I doubt that they're returning to the same commitment to taking on a job of work that's going to bore them sometimes, as well as challenge them in ways that their education hasn't prepared them for," he said. This thought of course pleases the advisers in their capacity as salesmen of the universities' products. But in their role as citizens, it seems to worry them. The reason is that an automatic, and arguably unjustified, advantage in employment prospects for graduates inevitably leads to the exporting of unemployment down to the

positive commitment days, not even in demos. "When it comes to raising, the tendency to-day's students is to go on sponsored walk which—individual can drop out of the effort whenever he or she no longer wants to go on with it. I'm pessimistic, but I see no continuing of that attitude more significant to their own life than any sudden loss of a hair cut. My impression is that it's an attitude that universities are to encourage," he added. For my part, all I will say is that if the universities are doing so, then it is in their own interests to stop it as quickly as possible. When standing only 200 yards from Downing Street a couple of days ago, I saw someone still closer, coming university don't emphasize about their pay levels with generally "monastic" views of the unworthiness of the work day world of industry and commerce. "What they're going to do to realise," he continued, "is that if they pick the monastic outlook, they're actually going to have to eat in monks, too—and most of them definitely poorer ones!"

Change of habit, or perhaps not

Remarkable

A SENSE of shock is abroad this year among the careers advisers at the country's universities. The reason is that final-year undergraduates have generally been turning up for job interviews, not only in unusually large numbers, but with the men dressed in suits and the women in skirts and blouses. "The fifth and the long, dark hair of yesterday have mysteriously disappeared," said one adviser the other day. "And although when I first saw this I stared at them astonished, there wasn't even a sheepish smile to suggest that they thought anything abnormal was going on. What's more," he added,

Do better

As for the university careers advisers, they thought that the sudden conformity of wardrobe was an eminently sensible development by the students. "It means that they are making a very positive attempt to get the jobs that could be open to them," said one adviser. "And if they do that, and avoid making too much of their 'superior culture' as graduates, even arts and social studies people will do better at finding a job than non-graduates do." This thought of course pleases the advisers in their capacity as salesmen of the universities' products. But in their role as citizens, it seems to worry them. The reason is that an automatic, and arguably unjustified, advantage in employment prospects for graduates inevitably leads to the exporting of unemployment down to the

Management Consultancy
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Binder Hamlyn Fry & Co. is looking for a career consultant to join its Financial Services team as a deputy to the Director in charge.
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Please write or telephone for an application form, quoting ref. 1206:
Anne Knell, Binder Hamlyn Fry & Co., 76 Shoe Lane, London EC4A 3JB. Tel: 01-353 5171

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A leading Accepting House has a vacancy at managerial level for a Corporate Planner.
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S.W. London c. £6,000
For an experienced and mature journalist, this opportunity at the European Headquarters of a major process engineering company, presents a broad and unusually stimulating challenge.
For a start, the company generates a large number of highly newsworthy items—ranging from large export orders, through major technological achievements to new plant openings. It will be your job to ensure the widest press coverage for such events by writing and circulating press releases, arranging interviews, and conducting plant tours and briefings. The second, and equally important aspect, is responsibility for publishing the company's quarterly house newspaper (circ. 2,500), for which you will act as editor, sub-editor, chief reporter and production manager. Any spare time will be spent in devising ways and means of promoting better internal and external relations, including increasing the potential of a fully-equipped, colour video studio. The successful candidate is likely to be aged around 40, fluent in all areas of communication, and with definite "feel" for—or experience of—technical matters. A background in trade or technical publishing—editing and/or production—would be an advantage as would experience in P.R. The ability to deal effectively with all levels of management is essential. Salary is negotiable around £6,000 and there are attractive large company benefits, including generous assistance with relocation if necessary.
Ref: AB535/FT
REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to the Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.
PA Advertising
Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

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Apply in GUARANTEED CONFIDENCE with complete details of experience, salaries, and education. Reference FT/SE/785194. Short-listed candidates, male or female, acknowledged within fourteen days of receipt of application.
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who will join a successful, young and enterprising management team of a major financial printer, who have, and will continue managing 'change' at a considerable pace.
In consultation with colleagues, he/she will develop the strategy and tactics of the company's sales and marketing policy; will be closely involved in short- and long-term planning and policy-making; lead and motivate an established sales team and improve their professionalism. The company is a key part of a forward-looking and rapidly expanding group who practice decentralised management.
Salary will be negotiable around £16,000 p.a. There is long-term career opportunity if the person has the drive and ability to grasp it.
Application form and full details from
Printing Advisory and Management Services Suite 624, London International Press Centre 76 Shoe Lane, London, EC4A 3JB. Telephone: 01-353 8375

Cash Management
Holland c. £15,000
A leading international organisation with headquarters in Amsterdam wishes to appoint a Cash Management Executive. Reporting to the Treasurer, the person appointed will be responsible for all cash management activities.
This is a progressive position, offering immediate scope for development to a candidate, probably aged 25-35, with an educational background in economics, who is working in the Treasury Department of a multi-national corporation or with a bank. Applicants must be familiar with exposure management and collection procedures; accountancy knowledge would be helpful. Willingness to re-locate in Amsterdam is essential.
The identity of candidates will not be revealed to client without prior permission. Applications, quoting Ref. AB/52/77, should include details of age, experience and salary and be sent to:
PA Management Consultants BV, 184 Keizersgracht, Amsterdam - C. Holland. Tel. Amsterdam 23 66 82.

Accountant
for the London branch of an international bank with an outstanding record of profits and good management. A successful performance in this post could lead to advancement after a few years.
Aged 28 to 35, candidates must be chartered accountants with experience in the commercial field, preferably in banking. This must include multi-currency accounting. Pensions experience would be an advantage.
Salary £7,500 to £8,500. Non-contributory pension, low interest mortgage and other fringe benefits.
Please send relevant details—in confidence—to P. Hook ref. B.26361.
This appointment is open to men and women.
MSL Management Consultants
Management Selection Limited
17 Stratton Street London W1X 6DB

Actuary
London c. £8,000
Our client, a member of a young, fast expanding insurance group with subsidiary companies also in Saudi Arabia and UAE, seek to recruit for this key position.
You will be responsible for effectively carrying out the actuarial functions of the UK and associated overseas offices. This will involve, in the main, the design of long term insurance schemes.
Candidates, aged 30-40, must have gained the minimum of five years post-qualification experience within the field of life insurance.
The position carries good promotion prospects plus normal fringe benefits.
Telephone Brian Trevelick (01) 235 7080 Ext 235
PER PROFESSIONAL and EXECUTIVE RECRUITMENT
This vacancy is open to male or female candidates.

Senior Econometrician
to join BP's Corporate Planning Department and lead a small development team within its Systems Group.
The successful applicant must be able to apply quantitative techniques imaginatively in the fields of international energy, industrial and general economics, and will be expected to work closely with economists of the Department's Forecasting Group. At least five years' experience in econometrics is necessary and experience in the energy sector desirable.
Salary will be paid according to qualifications and experience, but the post is unlikely to be filled by applicants currently earning less than £6,000 per annum.
Please write giving age and brief details of qualifications, experience and current salary, quoting reference PFC/B/B, to:
The Manager, Central Recruitment, THE BRITISH PETROLEUM COMPANY LIMITED, Britannic House, Moor Lane, London, EC2Y 7BU.

LABOUR NEWS

Equal chances body angry over women's sponsorship

BY ALAN PIKE, LABOUR STAFF

THE GOVERNMENT has provoked the anger of the Equal Opportunities Commission with the decision not to reappoint 44 TUC or CBI sponsorship and independent women members of industrial tribunals unless they obtain TUC or CBI sponsorship.

British Airways, union agree over pay claim

BY OUR LABOUR STAFF

UNION OFFICIALS have agreed with British Airways that the shift pay claim by maintenance engineers which led to a serious strike last month should be settled on a percentage rather than flat rate basis.

Railmen step up Bristow pressure

By Nick Garnett, Labour Staff

THE NATIONAL Union of Railways has been asked by striking North Sea helicopter pilots to "black" rail cargo destined for Bristow Helicopters and restaurants owned by all companies serviced by Bristow craft.

Port Talbot action to continue

BY OUR LABOUR STAFF

ELECTRICIANS at British Steel's Port Talbot works yesterday put on behalf of the EPTU executive—a final vote to stay on strike was carried almost unanimously.

Rees jeered and jostled by hostile policemen

BY DAVID CHURCHILL, LABOUR STAFF

DELEGATES to the Police Federation's annual conference at Scarborough gave Mr. Merlyn Rees, Home Secretary, a bitterly hostile reception when he addressed the conference yesterday.

Fewer work days lost in April

By Our Labour Staff

A SUBSTANTIAL drop in the number of working days lost through strikes is revealed in statistics published by the Department of Employment today.

'Clinics' scheme to improve management

BY OUR LABOUR STAFF

INDUSTRIAL "CLINICS" are being set up in Britain in an attempt to promote greater efficiency.

Record revenue for radio

COMMERCIAL RADIO'S recent dramatic turnover gains continued last month when advertising revenue for the 19 stations reached a record £1,597,073.

Value for money

BY PETER CARTWRIGHT

A PEACEFUL invasion of Germans is beginning in Staffordshire. With an adroit mixture of cheek and hard-headedness, the county development association is currently processing 63 inquiries from companies in West Germany keen to establish a presence there.

Does your advertising account conflict with any of ours?

- TOILETRIES
Chanel: Chanel No. 5, Chanel No. 19, Chanel for Gentlemen
Clairol: Nice 'n Easy, Born Blonde, Loving Care, Quiet Touch, Natural Balance Conditioner, New Product Development
ICI Goya International: Balon, Shuni, New Product Development
Care Laboratories: Cepton Lotion, Gel and Facial Scrub, New Product Development

- FOOD
Australian Gold: canned fruit
Barratt: Sherbet Fountain and over 100 other children's sweets
Bassett's: Liquorice
Allsorts, Dolly Mixture, Wine Gums, Jelly Babies
Nabisco: New Product Development
White Fish Authority: Fish (fresh, frozen, and fried)
DRINKS
Harp Lager
Tizer

- TRAVEL
Irish Tourist Board
AUTOMOTIVE
Godfrey Davis: Car and Truck Rental, Contract Hire, Caravan Sales, Ford Main Dealerships
FINANCIAL SERVICES
Burnley Building Society
Midland Bank
M&G Group Unit Trusts and Financial Services
RETAIL
Mecca Bookmakers
Ryman

- PUBLISHING
Financial Times
TOYS
Wiggins Teape: Snoopy Toys, Das, Ace, Suspense, Intrigue, Inclination, Jollycraft, Glitterfun
HOUSEHOLD EQUIPMENT
Clairol Appliances: Hairdryers, Heated Rollers, Crazy Curl styling wands
Tandberg: Colour TV and Hi-Fi
Viners: Cutlery and tableware

Some agencies are so saturated with certain kinds of business that it would be almost impossible to give them your account. Other agencies so obviously lack the track record that you might not wish to try. Ayer Barker Hegemann has neither problem. And nor would you.

Ayer Barker Hegemann Limited
30 Farringdon Street, London EC4A 4EA

The Gazette reveals that in the week ending March 12, just over 35 per cent of workers in manufacturing industry did an average of 8.6 hours of overtime.

Guide backs disabled on jobs

By Our Labour Staff

THE "still too widespread" misconception that disabled people were capable only of a limited range of jobs was challenged in a Manpower Services Commission guide published yesterday.

Demonstration at QE2 docking

THE QE2 docked without trouble at Southampton yesterday despite a threat of industrial action against the liner by tugmen and docking crews.

Pickets still outside bank

OFFICIALS OF the Standard Chartered Bank and the National Union of Bank Employees held talks yesterday to try to settle a dispute over a pension clawback scheme that has resulted in selected work stoppages at the bank's branches.

Where to test drive the Scimitar GTE.

- Avon
John Danglefield Sports Cars
Plymouth Bristol (0272) 565225/565373
Rover
Creston Motors Ltd.
London Buzard (052 53) 2041
Berkeley
Rover/Lease Car Centre
Great Western Motors (Reading) Ltd.
Bentley Power (01235) 333333
Buckinghamshire
Station Garage Ltd (0295) 4/5
Berkshire
Rover (0753) 61481/6
Charnel Islands
Rover (01843) 4934/5
St Sampson, Guernsey (0481) 45841
St Helier, Jersey Central (0534) 36226
Chester
Whitbread Motor Company
Great Moulton (024 459) 253
Cleveland
J.T. Dickson (0642) 41934/5
Cornwall
The Chevrolet Van (Midwest) Ltd.
Truro (01752) 4334
Derbyshire
Rover (0532) 412, Derby (0332) 4342/2
Devon
A38 Garage Ashburton (0221) 752761
Dorset
Reg Hayes & Sons Farnham (020 17) 2202
Essex
Rover By Appointment
South-on-Sea (0702) 388200
Greater London
Chevrolet Motor Company Ltd.
(01 493) 770549
The Chevrolet Van (East of London) Ltd.
(01 594) 719, 995 022
Essex
Hammocks and (London) (01) 248 8122
Hampshire
Hampshire and (London) (01) 248 8122
Hants
Hants of Colford (01) 620 282
Hertfordshire
Hertfordshire Garage Ltd. (07) 405864
Woodford Green, (01) 504 0017
Cheshire
Chevrolet Motor Company Ltd.
(0624) 333318
Suffolk
Suffolk Motors (Manchester) Ltd. (061) 224 3325
Stockport
(061) 483 3032/4500/7274
Hereford & Worcester
Hertfordshire Motor Company
(0432) 33020/33025
W & B Woodgett Ltd. Malvern (06845) 2381/3
Hampshire
Hampshire Service Station (Basingstoke)
Hants (042) 222 3757
Hertfordshire
Hertfordshire Garage Ltd.
(01) 950 3311
Derby & Leicestershire
Bishop's Stortford (0275) 722072
Humbly Grove
Newport Car Sales Ltd (0482) 63466
Ireland
Derek Ryan
Wolent Imports Ltd. (Dublin) 600185
Belfast
(0234) 2505/2527
Tale of Man
Westminster Motor Co Ltd.
Douglas (0641) 2890
Isle of Wight
Hampshire Garage Ltd. Newport (0983) 2935
Kent
George Hammond Motors Ltd.
Down (0437) 630471/4351
Surrey
Tunbridge Wells (0222) 2724/5/6
Leicestershire
Leicestershire Motor Co Ltd.
Shepperton (0298) 22/2
West Yorkshire
Leeds (0532) 2940/2
North Yorkshire
Frank Fletcher Ltd. Leeds (0532) 45933
Sunderland
Sunderland (0191) 697 697
Northamptonshire
Northampton (0432) 2940/2
Hampshire
Hampshire (01256) 2940/2
Wiltshire
Wiltshire (01256) 2940/2
Stroud (01256) 2940/2

RELIANT SCIMITAR GTE High performance estate

The Marketing Scene

EDITED BY MICHAEL THOMPSON-NOEL

Sainsbury's goes to Saatchi

BY MICHAEL THOMPSON-NOEL

SAATCHI bandwagon rolls Sainsbury's special virtues—Sainsbury's, one of the freshness, hygiene, value for money, plain fair with the accounts, has appointed Saatchi and Saatchi as its advertising agent for all national media. Local advertising will continue to be handled by Paul Broadbent and partners.

Sainsbury's does not spend as much as its rivals like Co-op, Tesco and Fine Fare. Its total advertising budget, at around £750,000 in its last year, is expected to be closer to £1m in 1977-78.

Saatchi's account in competition with Ogilvy & Mather, which had handled Sainsbury's for 60-odd years, Foots Cone and Belding, and the capture of the Sainsbury's account takes its current billings virtually to £1m, which means it is now in a pursuit of Britain's two best agencies, M&W Wynne-Jones and J. Walter Thompson.

Saatchi and Saatchi Compton, the biggest publicly quoted agency in British advertising, grew in the year to last year to £1.85m, on a turnover of £35.2m.

Sainsbury's thus joins British and Saatchi and Saatchi Compton, Mackintosh, United and Cadbury's sweeps among Saatchi's best clients.

Mr. Conolly, Sainsbury's advertising manager, said this was the company's not historically big advertiser but that given the current economic climate, the importance of grocery advertising, its spending was to increase.

We're sorry to part company with Ogilvy's. They have made a very significant contribution to business over many years, (as it often has in the past) less began looking, around in 1968, and reckoned that on the active front Saatchi's had a share of the market.

New products: think small to grow fat

We may be at the start of an era when the subversive activity of new product development is once more aimed at genuine innovation, not tired repositioning.
DAVID BERNSTEIN and TOM STEELE of *The Creative Business* explain why

AS A RESULT of the lean years of the 1970's, British industry as a whole has become more efficient and more pragmatic. Yet in one important area of business, new product development, the picture remains as un-inspiring as ever.

Something over two-thirds of all new brands in test markets can be classed as failures—and this is only the tip of the iceberg. For every new product that happens to fall, there are many more that simply fail to happen. When after a considerable investment in management time and resources, a new product is introduced, it is understandable that the recent past should have engendered a defensive frame of mind in British management. But progress is possible only when you stick your neck out, and new product development is nothing, if not sticking one's neck out.

It is, however, not simply a failure of nerve which explains the poor showing of many manufacturers in new product development but a failure of active commitment. Range extension is one of the favourite compromises adopted by many managements—innovation without any of the problems of innovation. While appearing to offer the quick route to new product success, this course is often the most dangerous of all, in that it puts the needs of the manufacturer before those of the consumer. New product development is a subversive activity. It aims to undermine the opposition, alter the balance of power, re-shape the map of the market in one's own favour. Like all subversion, it is a two-edged weapon. Before re-shaping the marketplace, one often has to begin by re-shaping one's own company—and this involves, among other things, changing company attitudes towards status, hierarchy, departmental boundaries and administrative systems, not to mention company attitudes towards ideas themselves.

New product development is idea-intensive and demands a high level of ability in lateral thinking as opposed to linear, and a capacity to judge ideas very different skills from those involved in running a going brand or business. Precisely because these skills are not used in everyday business, they are often not given the attention due to them.

Little if any of the in-company training given to junior and middle management is devoted to the business of new product development.

The upshot of this is often a general attitude of distrust among the company at large towards the small band of bohemia and bohemians entrusted with the task of developing new brands. These mysterious practitioners are often put on a separate floor or in a separate building from the rest of marketing and sales, ostensibly for the laudable reason that this laboratory atmosphere will aid creativity. In effect this separation allows the rest of the company to function unmolested by the questions of to-morrow—and of course deprives the would-be innovators of contact with the practical realities of the company. As a result, the innovators come to be regarded as impractical by the very people who keep them away from the practicalities.

The venture group system—widely talked of, but little practised—is one way of ensuring that the new product effort comes from the heart of the business, as opposed to the

periphery. A small working group of experienced men from marketing, production, R and D and market research are brought together for the life of the project. The group leader is given authority to progress the project, within previously agreed parameters, without constant reference to senior management. Only when crucial "go/no-go" decisions are involved is senior management called in.

Clearly this system can have a lot of advantages in that it cuts across traditional hierarchical and departmental boundaries, improves communication and speeds progress. The chance to work closely with those of different disciplines and the fact of being involved in "special" work is also a potent motivating factor for those involved. To be successful, however, the group requires an experienced leader who is fully in tune with the senior management's thinking. It also demands a degree of trust on the part of top management in the very nature of the venture group system, which is to bring themselves to accept. A company's new product record is as good as its senior men. Their business is to establish the criteria for a new product programme and ensure that they are properly understood and implemented by middle management. Their active involvement in the new product programme should only occur when new product launch decisions have to be made. It is not their prime function to have ideas about new products, or question research or exercise judgment over the merits of a particular pack design.

Setting realistic criteria for the development of new brands, creating a workable company infrastructure for their development and ensuring that the right people work on the job are just three of the things that senior managers can do to help improve their company's new product record. But when all is said and done, the dichotomy between the needs of the company and the needs of the consumer may not be capable of being resolved. It is ironic that true innovation, by its very nature, is acceptable at the outset to a small number of consumers. Those companies,

on the other hand, who have most need of new products to defend their massive investments in the public consciousness, are only geared to handle goods which generate a high volume turnover. Because of this, their criteria for new brands are frighteningly severe. Coca Cola would probably have been written off after a few weeks. (It sold only 25 gallons in its first year of manufacture—as a hangover cure.)

Because the unnatural "hot-house" conditions of today's new product development seem to be on the verge of an era when major marketing companies revert to the standards and practices of the past, new products will be developed with an eye to genuine innovation, for the use of minority audiences, opposed to the tired product re-positionings which are all too often based upon an increasingly cynical and unwilling mass of consumers. The venture group system will develop. Successful venture group teams will find themselves setting up new companies in which they have a share of the equity, with all the attendant risks and benefits that that implies.

Thinking small in new product development could well be the way to grow fat.

Melting the iceberg of consumer discontent

Most sales techniques are harmless. But ADAM SEDGWICK argues that marketers, ad-men and consumer protectionists need to work together in balancing out the grey areas

IN "£146M WORTH OF Complaints" (Financial Times, May 12) Winston Fletcher launched an attack on consumer protection. He shows little understanding of the case he is attacking, and it is sad that a man in his position should be so unaware of one of the major influences shaping his industry.

He questions whether "the massive spend on promotional activity (is) justifiable and cost-effective." In tenuous support of this doubt he quotes the Marks and Spencer estimate of £8 as the cost to the company of processing a consumer complaint, and arrives at a cost to all industry of £100m a year.

He indicates that this is excessive, and we agree. Particularly since Mr. Fletcher grossly understates the cost of complaints. One valuable piece of work done by the Office of Fair Trading is to document the cost to the consumer of complaining—on average some 35 to £10. But we do not agree with Mr. Fletcher's implied solution—that consumers should stop complaining. Would he tell us how many more complaints are required before he would admit the need for suppliers to stop giving them reason to complain.

Next Mr. Fletcher argues that because there are "only" 123m consumer complaints a year, consumers don't really need protection. Would he tell us how many more complaints are required before he would admit the need for suppliers to stop giving them reason to complain.

Has it not occurred to him that without the degree of protection we now enjoy there might be a few more complaints. There is in fact no doubt that complaints represent only the tip of the iceberg of consumer dissatisfaction. There are very real costs, in time and in money, of complaining, as we have already mentioned. It is accepted that consumers with problems often do not complain, because they doubt whether it is worthwhile.

The two arguments together amount to an outrageous double-bind: complain a lot—it costs too much; complain a little—there's no problem.

His third argument is that interference with the selling/marketing process is expensive—indeed "almost certainly" the most expensive element in consumer protection. His sole support for this contention is the assertion that if successful selling formulae are banned, stockturn will reduce and prices will rise. For him this proposition is, apparently, self-evident. It is, in fact, demonstrably false. Since the underlying fallacy is often not perceived by advertising people, it is worth explaining slowly.

If retailer Brisk is deprived of an effective sales technique, his sales will certainly be lower. But the story does not end there. What of the customer who would formerly have spent at Brisk's, do with his pound notes? Burn them? No, he goes instead to retailer Stolid—possibly in a quite different trade—and spends them there. Brisk's stockturn drops, yes, and perhaps his prices rise; but, happily, Stolid's stockturn rises, and his prices drop, perhaps. Net effect, nil.

Mr. Fletcher's fallacy is that of composition: the assumption that because one trader's turnover

practices are wholly abnoxious, and they are now mostly banned. Many selling techniques are quite harmless, adding sparkle to the conveying of information the consumer values.

But there remains a grey area. "suppression veri" and "suggestion falsi," some of which the Director General of Fair Trading referred to in his address which so aroused Mr. Fletcher. We pay more than necessary. The costs to society in banning practices in this grey area, but we insist that others recognise the costs to consumers of finding out the truth elaborately kept from them. The costs to consumers of paying more than necessary. The costs to consumers of living with mistaken purchases. The cost to conscientious producers and traders of losing out to the unscrupulous. The cost to society of the resources involved in misleading selling.

A balance therefore has to be struck. It will be best identified by dialogue between representatives of consumers and of marketers. But constructive dialogue depends on the marketers having some grasp of the issues. They would do well to instruct themselves: we are not going to go away.

Adam Sedgwick is treasurer of the National Federation of Consumer Groups.



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If you're of the opinion that the car drive reflects the kind of person you reflect on this.

Scimitar GTE is the epitome of style high performance estate. It can carry haults and at least 20 cubic feet of gage (40 cubic feet with both rear seats folded forward) at up to 120mph. Comfortably.

So the person in control needs to be to handle power Responsibly. Scimitar regularly returns between 24 28 mpg (although many owners m over 30 mpg). At that rate, its 20 on tank gives it a non-stop range of r 500 miles. Obviously, instead of rving expensive energy, Scimitar sers use it. To their own advantage.

As well as being original in concept, Scimitar looks unique. It's long, low and wide. With rustproof handbuilt coachwork mounted on a rugged steel chassis.

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To: Marketing Services, Reliant Motor Company Ltd, Tamworth, Staffs B771HN or phone Tamworth 0827 69595 any time.

Please send me more details about the Scimitar GTE.
 Please arrange a road test. If under 18 tick here.

Name _____
Address _____

Present car _____

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Reliant Scimitar GTE, 1380 bhp 9 litre Ford V6 Engine, Manual overdrive or automatic transmission, Rack and pinion steering (power optional), Servo assisted front disc brakes, 2 speed wipers with electric front and rear, Heated, wide opening rear window, Complete instrumentation, Remote control exterior mirror, Radio (radio cassette optional), Low tyre pressure indicator, Factory fitted alloy wheels (optional), Reclining front seats with seat belts (front and rear), Dual exhaust system, Electric radiator fan, Through-flow ventilation with multiple outlet points, Laminated windscreen, tinted and electric windows optional.

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SOUTHERN TELEVISION

For further information contact Brian Henry, Marketing & Sales Director, Southern Television Limited, Glen House, Stag Place, London SW1E 3AX. Telephone: 01-834 4404.

Incorporating THE FINANCIAL NEWS (Established 1844) Head Office Editorial & Advertising Offices: BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF

China achieves progress in fits and starts

BY COLINA MacDOUGAL, recently in China

CHINA is a land of soft colours and muted tones, of brown hillsides and green paddies. The tranquillity of the landscape extends to the ambling crowds in anonymous blue and green; their tools and their faces are passively unexcited.

New housing, workshops, factories are rising everywhere, particularly on the fringes of well-established towns. This is spectacular in the case of Canton, where factories interspersed with farms extend for miles and the old Tung Kung Hotel busy with foreign experts engaged in building chemical plant down river from the city.

There has been much argument among western China-watchers about the rate of China's economic growth, but no-one doubts that it has been significant in spite of the political ups and downs. Yet it is nowhere near what might have been achieved.

Without wishing to contradict Chairman Hua, the difference between at least what foreigners were shown in the mid-sixties and what they see now, is impressive. In 1965 I visited the Feking No. 49 textile mill, a large but shabby enterprise producing cotton cloth where every loom was manned by a worker.

Chairman Hua has inherited a very difficult situation. Since 1957 the economy has suffered from the stop-go effect of swings between radical and moderate economic policies. Growth slowed down in the Cultural Revolution, took off again in the early 1970s, hesitated in 1974 as the Gang of Four launched the "anti-Confucius" campaign against Premier Chou, recovered in 1975 as Chou got the upper hand, but slumped again in 1976 after his death and the ensuing political dramas.

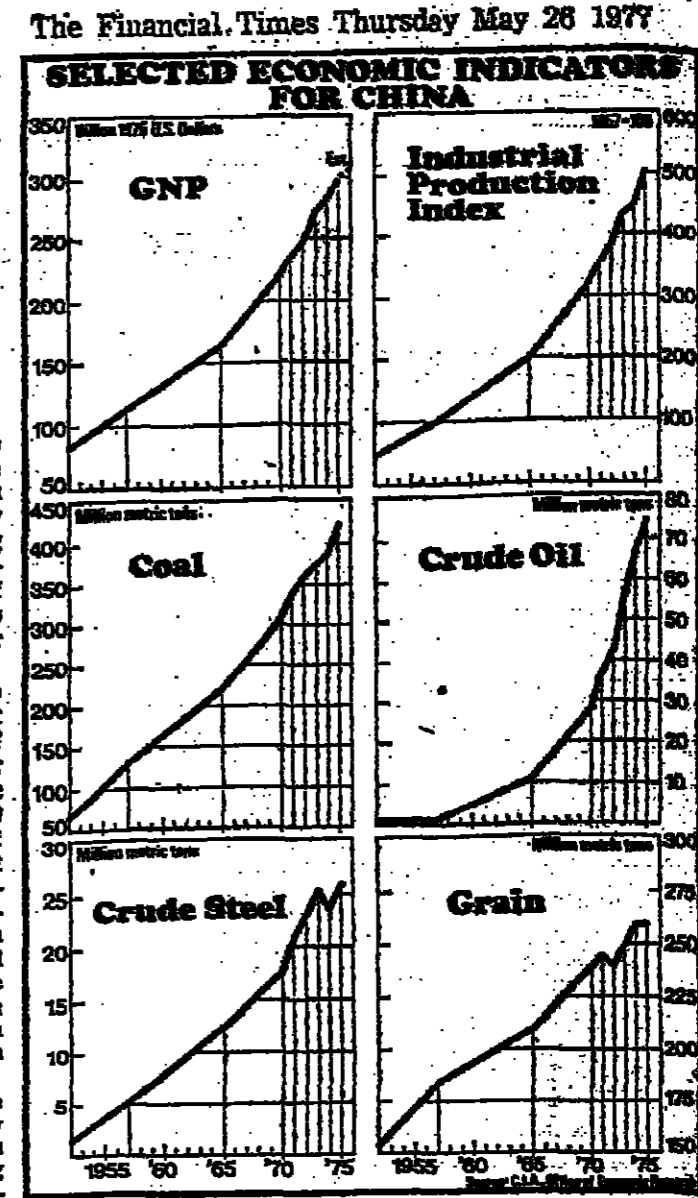
Last year, analysis in Hong Kong says, GNP probably grew at only about 3 per cent, not much above population growth, and well below the good years of 7 or 8 per cent in the early 70s. Steel production dropped from 25m. tons to 21m., a Chinese official is reported to have told diplomats in Peking last January. Coal output also fell; last month the Foreign Trade Minister Li Chiang told a Japanese mission it had dropped by 25m. tons because of the earthquake at Tangshan and industrial sabotage.

While obviously some of the propaganda retelling the industrial troubles caused by the Gang of Four should be discounted, the provincial unrest and resulting dislocation have been serious, even if sporadic. Furthermore, they have not yet completely cleared up, as current provincial radio broadcasts reveal.

The damaging nature of the unrest shows in the slowness of recovery. Only one province (Kiangsu) has so far reported a figure for the first quarter's growth in value of industrial output, whereas normally, the number might be eight or ten. Of course last year the first quarter did reasonably well: it was not until later that production began to tail off.

Some upturn is now visible. One would expect that since Hua's accession the stress on the economy and the intervention of the Army (particularly in taking over some of the railways) would be having some effect, and the handful of March and April percentages now published show an improvement over January-February.

The "learn from Taching in industry" conference which closed last week is Chairman Hua's answer to all these problems. Ominously, of all the



which will still control it. But the leadership is hoping that the enthusiasm, dedication and discipline that has kept it producing at an annual increase rate of 28 per cent, can be reproduced elsewhere. And there is some hope that throughout industry wages may be improved, though there is no sign yet of the restoration of meaningful material incentives.

Discussion on differentials

Yet Hua has implicitly rejected the egalitarianism of the post-Cultural Revolution years. Planning Minister Yu promised in his report a conference to discuss wages and terms of employment, an issue which has simmered without proper settlement since 1967. It seems almost certain to discuss differentials.

Hua is also strongly emphasising the need for education and technical training. At the conference Yu called for the re-opening of all spare-time technical colleges. Hua's new Education Minister (the former incumbent was attacked in the campaign last year and is believed now to be dead) has 20 years of experience at the national level of science, technology and education. More stress on professionalism does not necessarily mean that workers and peasants' children will suffer, but that ability will be a vital criterion for judging students.

The concrete objectives that emerged from the conference were a speeding-up of develop-

Hastening more slowly

IT IS NO NEWS that the dramatic investment plans originally put forward by the British Steel Corporation have long since been overtaken by events. The need for heavy expenditure to modernise the industry and enlarge its capacity while reducing its labour force was one of the arguments advanced in favour of the nationalisation which was completed ten years ago.

Lower sights The answer to the second was given yesterday, at the last session, by Sir Charles Villiers. It would be quite unrealistic in present conditions, he said, to talk in terms of a 15-year plan for the industry, and even the 10-year plan was now obsolete: the expected growth of home demand for steel had fallen from an annual rate of 2.6 to 1.7 per cent. The Corporation's new scheme, therefore, would aim at producing not 35m. but 30m. tons of steel by 1982 at a cost of \$5bn., with the extra capacity all coming from plant already being built or in the final stages of planning.

If all goes well, according to Sir Charles, this scheme would enable the Corporation to raise its share of the home market over the next five years from 53 to 70 per cent. Even on this assumption, however, the strain on profits from interest charges alone will be considerable and there will be little scope for fresh, unexpected trouble like the Port Talbot strike—like effect of which, given the cash limit now imposed on external financing, may well be a post-ponement of the expansion planned at that works. In the period immediately ahead, labour relations will be of major importance and the greater flexibility that must be the rule. In any Phase Three will provide an opportunity for improving them.

Circumstances have not only forced the Corporation to plan ahead on a less ambitious scale; they have demonstrated the wisdom of doing so.

The constraints on pensions

THE GOVERNMENT is attempting to make up its rhetoric about compassion what it lacks in cash available for payment to pensioners, the unemployed and other beneficiaries of the social security system. This is clear from the upratings announced by the Secretary of State for Social Services, Mr. David Ennals, yesterday. "In spite of a serious world recession and all the constraints on public expenditure," Mr. Ennals said, "this Government has protected the poor, the sick and the disabled, and we have stood by our manifesto pledges to pensioners."

What is more, Mr. Ennals claimed in his statement to the Commons that "this November's increase should cover inflation since the last uprating and provide a further increase in real purchasing power." Since all the increases are around the 14 per cent mark, with pensions themselves fractionally higher, such statements indicate a high degree of official optimism about the likely rate of inflation in the half-year that lies ahead.

MEN AND MATTERS

Down among the pigs

The pig breeders of England are a hardy lot, not easily put down, and the EEC decision against the present U.K. subsidy has brought them out fighting—as was made plain to seven visiting EEC agriculture ministers, aides and officials (the Irish ministers couldn't make it).

The ministers are here as guests of John Silkin, our Minister of Agriculture, who is also President of the EEC Council of Agriculture Ministers. Yesterday's agenda included a tour of the Brook Orchard piggeries at Basingbourne-cum-Knesworth in deepest Hertfordshire, an idyllic buttercup and cow-parsley place obviously not used to the traffic snarls, camera crews, police; not to mention the 100 or so red-faced, wellington-booted, placard-waving pigbreeders from several counties clogging the lanes as the ministers' luxury coach nosed its way through to the pig sheds.

Police held back the masses as the ministers began their inspection, first stopping to examine their patent leather shoes, silk socks and pin-striped trouser legs into floppy plastic goloshes. Then it was time for a wade through a trough of deep brown disinfectant, before finally getting to the pigs. The Danish minister asked a lot of interested questions, the Italian minister became totally engrossed in the spectacle of a large sow in labour, with seven wet, new-borne piglets slithering over each other to get to the teats while the eighth emerged. But the other ministers soon drifted over to see how Silkin-leaning, if not actually sitting on a fence—was coping with the crowd of heckling pig breeders. "We are no-Jonser-alone," he

Bafflement

"You are in a very privileged position." Fairly inflammatory words from an avuncular Sir Richard Dobson yesterday to small shareholders in British Leyland who trooped along to a London hotel for the annual meeting of that most publicised of companies. Chairman Dobson's remark was greeted with a fair amount of laughter and a growl or two of rage; he battled on trying to make the point that now that the National Enterprise Board was in charge, one day all might come right for all shareholders.

Only about 5 per cent of the equity is left among private investors, but there are still, surprisingly enough, over 1,000 of them. After all the allegations and counter-allegations in the last few days, the AGM turned out might have been expected to be higher, but only a couple of hundred shareholders turned up. Most of the shareholders who stood up to speak tried, often pretty incoherently, to express their bafflement at how their interests seemed to have been

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Observer

Let the people have the oil cash

Why not allot every house hold in the country a proportionate share in this sum? A National North Sea stock could be issued for the purpose. Divided among 18m households, this would give each holder an initial claim to a return of about £250-£300 per annum in 1980...

SCHEDULED REPAYMENT OF FOREIGN CURRENCY DEBT OF THE UK PUBLIC SECTOR 1977-1986

Table with columns for year (1977-1986) and rows for different debt categories like HMGC \$2.5bn loan, IMF oil facility, Foreign currency bonds, etc.

* Drawings up to end-March, 1977 only. † Individual items may not add up to total because of rounding.

Crude oil. A better official guide is the rate of the North Sea oil... Grain. This is not far short of an in current money.

THIS IS really all we need by way of a policy; as families and individuals would then decide whether to consume now or accumulate investments to cover the period when North Sea oil runs dry or the price cartel collapses...

to establish a target exchange rate for sterling which may simply aggravate inflation. Instead, there should be an overseas financial target. The capital account would have been in rough balance in most recent years...

It therefore carries the same risk of boosting the domestic money supply. The conventional way of avoiding this danger is to raise long term finance from the gilt-edged market...

ment in overseas investment. This is to offset the accompanying domestic loan operations by a reduction in the public sector borrowing requirement...

Letters to the Editor

The ethics of exporting. Sir, in your leading article of 23 (Realities of Exporting) you rightly drew attention to the dilemma in which the British exporter may find himself...

ment of ethical standards which as yet may have no application in reality. It is a matter of error of commercial judgment.

We shall welcome them as partners and do our best to help them in an industry whose position is not as bleak as it seems...

to give something (however small) to charity each year. The idea of setting up a fund for the needy is also worthy since there is a severe bias in giving towards the higher socio-economic groups...

in this country, before the revolutionary increase in consumer choice that occurred in the 1960s, giving was a function of the higher proportionate yield...

GENERAL. Representatives of the five Western members of UN Security Council—U.S., Britain, Canada, West Germany and France—met in New York to discuss their joint strategy at forthcoming meeting on Namibia (South-West Africa).

Recognition rights

From the General Secretary, Shipbuilding and Allied Industries Management Association. Sir, my association totally rejects the assertion by the TUC General Council that organising rights and recognition in respect of all staff grades in British shipbuilders should be a monopoly of unions affiliated to the Confederation of Shipbuilding and Engineering Unions...

Style of a chairman

From the Deputy Chairman, English China Clays. Sir, I read with astonishment and resentment in the article by Mr. Kenneth Gooding, which you published on Tuesday, May 17, the reference to Lord Abercromby's 'autocratic style' being 'stamped on the Royal Horticultural Society as well as such companies as English China Clays and Sheepbridge Engineering'...

Missing out on Mentmore

From Mr. B. H. Clarke. Sir, With the estimated takings from the Mentmore sale in the region of £2.5m, it is a pity that the estate should be sold to a 'lock, stock and barrel' by the Government...

Expenditure and charity

From Mr. Richmond Mullin. Sir, Having read the National Westminster Quarterly Review and your article of May 13 I find that a long-standing anxiety grows, it is an anxiety both about the quality of the evidence used in reaching judgments on the charity field and also about the conclusions...

Transferring unions

From the General Secretary, Electrical Power Engineers' Association. Sir, The real meaning of Mr. Grantham's letter (May 18) which better expressed the view of the TUC on the following extract is taken: 'In these two industries a serious position will develop in the next few weeks unless the established unions are granted recognition for all grades of staff. The position could only be exacerbated if a union with no previous membership took advantage of our power to secure nationalisation of the industry.'

Transferring unions

It was the letter from Roy Grantham which led to the General Council's expression of opinion about union organisation in the aerospace and shipbuilding industry. No one can be in any doubt now what Roy Grantham means. The many thousands of qualified engineering, scientific and managerial staffs in aerospace and shipbuilding who do not yet belong to any union, and for whom no union as yet has recognition rights, are to be forced to join APEX, or TASS, or ASTMS whether they like it or not.

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To-day's Events

Debate on EEC social policy; and on direct elections to European Parliament. House then rises for Spring Holiday. OFFICIAL STATISTICS. Capital expenditure by manufacturing, distributive and service industries; and manufacturers' and distributors' stocks (first quarter provisionally). Car and commercial vehicle production (April, final). Energy Trends publication. COMPANY RESULTS. Associated Engineering (half-year). Bass Charrington (half-year). Caravans International (half-year). Courtaulds (full-year). Gomme Holdings (half-year). ICI (half-year). Imperial Chemical Industries (first quarter). Phoenix Assurance (first quarter). COMPANY MEETINGS. See Page 25.



WHERE IN THE WORLD WILL YOU FIND STANDARD CHARTERED? How many full branches does your bank have in Singapore? The Chartered Bank has 20, and has been established there for over 100 years. By direct contact between our U.K. branches and our branch network in Singapore, we eliminate intermediary delays and extra bank charges...

BOND DRAWING

Austrian Government International Loan 1930 Assented Sterling Bonds

NOTICE IS HEREBY GIVEN that a Drawing of Assented Sterling Bonds of the above Loan took place on 9th May 1977...

BONDS DRAWN

4 bonds of nominal value of £1,000

Table with columns: Bond Number, Corresponding Coupon Sheet Number, Bond Number, Corresponding Coupon Sheet Number, Bond Number, Corresponding Coupon Sheet Number, Bond Number, Corresponding Coupon Sheet Number.

32 bonds of nominal value of £500

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318 bonds of nominal value of £100

Large table with columns: Bond Number, Corresponding Coupon Sheet Number, Bond Number, Corresponding Coupon Sheet Number, Bond Number, Corresponding Coupon Sheet Number, Bond Number, Corresponding Coupon Sheet Number.

Outstanding bond drawn for 1973/74 Sinking Fund no. 4707/A356 to be presented with 1st January 1975 and subsequent coupons attached...

MINING NEWS

Ranger and Jabiluka lead the field

BY KENNETH MARSTON, MINING EDITOR

THE eagerly awaited second report of the Fox inquiry into uranium mining in Australia's Northern Territory is much in line with expectations. It recommends a go-ahead on a sequential basis...

Subject to planning and environmental requirements, the report says that the first mining project to be allowed to proceed would be the Ranger venture of Ez Industries and Peko-Wallend in partnership with the Australian Government...

How much nearer these recommendations are to the start of uranium mining in Australia remains to be seen. They do not indicate any feeling of urgency...

Overseas growth for Tarmac

THE TRADING pattern of 1977 for Tarmac is likely to be set by a further diminution of the U.K. market for construction materials and services...

Peko-Wallend gained 15p on balance to 540p while Ez Industries rose 10p to 313p.

CORNISH WORRY ABOUT MARGINS

The Cornish Chamber of Mines has sounded a note of warning about high tin prices. Too great a margin between the cost of production and the metal price can damage the industry...

St. Joe contemplates \$900m. copper mine

THE U.S. group, St. Joe Minerals Corporation, is on the verge of making a \$900m. (£324m.) decision to exploit the massive El Pachon copper deposit in Argentina...

IDRIS CAUTIOUS ON EARNINGS

Earnings this year of Idris Egrigule Tin, whose mining interests are in Malaysia, are expected to be slightly higher than in 1976...

THAMES PLYWOOD SUSPENSION

Thames Plywood Manufacturers, which is 50 per cent owned by Ashley Industrial, has requested the temporary suspension of its share price at 120p as bid discussions have reached an advanced stage...

BIDS AND DEALS

Hodge sells Reliant shares at 1 1/2p

Ownership of Reliant Motor Group, makers of the Scimitar sports car and Robin three-wheeler, has changed hands in a deal which values the whole company at just £280,000.

The Hodge Group, now a subsidiary of Standard Chartered Bank, has sold its 76.6 per cent holding in the motor group to J. F. Nash Securities at 1 1/2p a share, compared with a suspension price last week of 9p.

Berkeley gets £1.3m. from Swire sale

Mr. John Spink, deputy chairman and joint managing director of Berkeley Hambro Property Company, is to become chief executive of Swire Properties, the major property group currently the subject of Hong Kong's first equity flotation in three years.

ASSOCIATE DEALS

S. G. Warburg and Co. in May 24 sold 12,500 European Ferries Ordinary at 71p on behalf of an associate.

JEVONS COOPER

Jevons Trainers, a subsidiary of Jevons Cooper, has purchased a plant, equipment and stock of Caravan Chassis (Stamwood) for £28,130 cash. The business is based at Bridgnorth, Salop.

NO PROBE

Mr. Roy Hattersley, Secretary of State for Prices and Consumer Protection, has decided not to probe the following proposed merger: expires, Mr. Spink, currently chairman of Hambro Properties, will become chief executive of Swire Daltec Foods, Doverstrand and the Properties. The contract was worth, after expenses, between Warner U.K.

The sale proceeds were well in excess of the book valuation, reducing Adda's U.K. borrowings and interest charges by about two-thirds.

Berkeley Hambro currently holds 7.3 per cent of Swire Properties, but its holding will fall below 6 per cent, as it is selling 19 per cent of its shares in the public offer.

Mr. Spink will remain a non-executive director of Berkeley Hambro, and two additional joint managing directors have been appointed. Mr. F. H. Havens and Mr. M. J. Burgess now share the duties with Mr. M. L. Yulett. Mr. D. D. Bailey has been appointed to the Board.

Swire is currently managed by Hambro Properties, a company in which Berkeley Hambro has an 80 per cent interest. This management contract will be terminated in July 1978 as "it has been agreed between the Swire group and Berkeley Hambro that it has now become necessary for Swire Properties to have the benefit of its own management as soon as this can be arranged."

Reliant's pre-tax profits for the year ended February 28, 1977, due to be announced shortly, will be in the region of £380,000, compared with losses of almost £200,000 in the previous year, and a further improvement is forecast for the coming 12 months.

As part of the terms agreed, arrangements have been made to keep Reliant's banking facilities at present levels. At the end of February, 1978 Reliant's borrowings approached £5m. against net tangible assets of £1.5m. although the position has apparently improved since.

For Nash, whose last balance sheet to September, 1976 showed borrowings of about £5m. and tangible net assets of £1.5m., the acquisition of Reliant at this sort of price will mean an appreciable increase in shareholders' funds and an overall strengthening of the balance sheet.

Mr. Nash said yesterday that he hoped to keep a quotation in Reliant shares which were relisted yesterday at 4 1/2p.

The Board of Reliant, which has been advised by Davney Day, will set out its views to minority shareholders on the offer in the formal document.

The Board promised a further announcement as soon as possible.

A statement yesterday said that while talks were well advanced, important technical and taxation matters had yet to be resolved.

ADD A COMPLETE HOTEL SALE

Adda International has completed the sale of its Chelsea Hotel (Sloane Street, London, S.W.1) to Rangate for £8m. cash, and consequently reduced its borrowings substantially.

WOOD & SONS (HOLDINGS) LIMITED

Earthenware Manufacturers

- ★ PROFIT AFTER TAX UP — 123%
★ SALES UP — 20%
★ EXPORTS UP — 39%
(52% of Total Sales)

Home orders for the first quarter of 1977 have increased by more than 50% on the corresponding period last year and this should ensure that our profitability in 1977 will be significantly improved.

Table with columns: Year ended 31 December, 1976, 1975. Rows: Turnover, Profit after Tax, Earnings per 5p share, Dividend—max. permitted.

A copy of the report and accounts can be obtained from the Company Secretary, A. G. Stanley Holdings Limited, Stanley House, Cray Avenue, Orpington, Kent, BR5 3PW. Telephone: Orpington 71521

ELSWICK-HOPPER LIMITED
Extracts from the preliminary announcement for year ended 31st January, 1977.
PROFITS: up 55% as a result of growth and acquisition.
EXPORTS: now amount to more than £1m., almost 10% of turnover.
DIVIDEND: substantially increased on greater share capital.
PROSPECTS: remain excellent at home and overseas.

Redfeam National Glass Limited
Manufacturers of glass containers
Extracts from the statement by the Chairman, Mr. Stanley Race, circulated with the interim figures for the 26 weeks ended 3rd April 1977.
Pre-tax profit ahead of budget at £1.03m.
Sales up 16.5% to £17.5m as high level of demand continues.
Capital investment programme continues. Increased capacity will be reflected in final results.
Every confidence that 1977 results will be ahead of last year.

The chairman says that in the immediate future much of the group's growth will be achieved from the services to the developing nations but considerable attention will have to be paid to the timing of future major investment in the U.K. and other European countries...

Standard Chartered Bank Limited
(Incorporated with limited liability in England)
U.S. \$50,000,000
Floating Rate Capital Notes 1984
For the six months from 26th May, 1977 to 28th November, 1977, the notes will carry an interest rate of 6 1/2% per annum.

FADS The paint n paper people
Record turnover and pre-tax profit
Extracts from remarks by the chairman, Mr. M. J. Stanley, at the annual general meeting on 26 May 1977.
"I am confident that your company will continue to grow and expand"
Sales up 31% in first four months of 1977
Margins improved in second half of 1976
Continued expansion from own resources
10 new stores opened this year
9 more stores by mid summer
Now over 110 FADS Homecare Centres

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Outlook for SEB depressed by costs

STOCKHOLM, May 25. SKANDINAVISKA Enskilda Banken (SEB), Sweden's largest private commercial bank, reports a slight drop in earnings for the first four months and considers it unlikely that it will be able to maintain its 1976 profit of just Kr.600m. (\$80m.) this year.

At the same time deposits in Swedish kronor, dropped by 3 per cent. compared with the first four months of 1976. The 2 per cent. increase in the discount rate in October is estimated to have entailed a reduction of some Kr.20m. in the bank's interest income.

Japan relaxes investing rule

THE JAPANESE Finance Ministry announced it had formally approved overseas investments by individual Japanese investors in stocks and bonds on eight stock exchanges in Asia and the U.S. effective June 1, reports Reuters.

THE AIRCO SUIT

An important victory

BY STEWART FLEMING IN NEW YORK

THERE WAS no mistaking the dismay at the Federal Trade Commission in Washington on Friday of last week when officials learned that the Federal Appeal Court had turned down the Commission's case against BOC International's acquisition of a 35 per cent. stake in Airco, the industrial gases producer.

But while the Court's finding was an important victory for BOC, a careful reading of the judge's opinion makes it clear that the court came to its conclusions on a narrow range of issues. Thus U.S. anti-trust lawyers are warning against drawing too broad a conclusion.

from the results so far in the Airco case. In particular European businessmen who are thinking of entering the U.S. would be wise to assume that the Appeals Court's decision has substantially diminished the prospective anti-trust obstacles to foreign entry into the U.S. The court's ruling is better interpreted as forestalling the creation of a major new obstacle. Equally it is far from clear what impact the Airco case will have on two other outstanding U.S. anti-trust cases against foreign investors. These are the acquisition by Nestle of frozen food producer Stouffer Foods and the purchase, 25 years ago, by the Swedish ball-bearing manufacturer SKF, of Tyson, the third largest U.S. manufacturer of taper roller bearings.

cases—and Nestlé and SKF are both involved in potential entry questions—the issue of what actual evidence there is could prove to be important. As one U.S. anti-trust lawyer points out, foreign corporations because they are not used to dealing with U.S. anti-trust issues, are not as practiced at avoiding problems. "U.S. business executives would never commit to paper some of the things which foreign corporations do," was how one lawyer put it.

DOMESTIC BONDS

Dutch market overcast by election uncertainties

BY PAULINE CLARK

A 25-year debenture loan for Bank Voor Nederlandsche Gemeenten (BNG), the latest in the recent exceptionally large batch of new Dutch bond issues, got off to a discouraging start yesterday with its issue price set at only 95.5 per cent. And even at this price the 8 per cent offering is not expected to raise more than the lower limit of the asked-for Fls.150m. Fls.200m. by the time subscriptions close on Friday.

Analysts point to investors' increasing conviction that interest rates will rise in the autumn notwithstanding any current government policy of currency considerations. This arises from a belief that industrial investment will start to pick up in the second half of the year and lead to a tightening of liquidity in the market. Higher interest rates, more competition from the equity market and possibly a greater demand for long term funds by industry itself.

EUROBONDS

Dollar sectors stable

By Mary Campbell

THE DOLLAR sectors of the market continued stable yesterday. Most interest focuses on the pricing of the two-tranche EEC bond issue, due to kick off in Germany, a DM1100m. issue has been launched for the City of Kobe under Japanese Government guarantee. The terms of this issue, being managed by Deutsche Bank, include an indicated coupon of 61 per cent. on a ten year (bullet) maturity with the pricing indicated at a discount.

Rembrandt pays R10m. for stake in Volkskas

BY RICHARD ROLFE

THE MULTI-NATIONAL Rembrandt group, which controls tobacco and drinks enterprises in many parts of the world, including Rothmans of Pall Mall and Liggett and Myers, has embarked on a surprising enlargement of its South African base.

JOHANNESBURG, May 25. Whatever the truth of the matter, it is clear that Sanlam and Volkskas have too many mutual profitable commercial links for any such policy to have succeeded. The mystery now is what advantage Dr. Anton Rupert, Rembrandt's legendary chairman sees in stepping into Sanlam's shoes. In terms of its articles, Volkskas only permits shareholders one vote per share but Rembrandt has one holding which carries ten votes. The deal Rembrandt has done with Volkskas establishes that its holding of 2.1m. shares will command seven votes but Rembrandt will not have representation on the Board. The two deals will cost Rembrandt about R20m.

AMERICAN NEWS

Anderson move on Gerber

HOUSTON, May 25.

ANDERSON CLAYTON and Co. said that it expects to proceed with its proposed offer for Gerber Products Company immediately after the expiration of the two-day extension of the restraining order unless otherwise prevented. AP-DJ reports the offer, which involves issues of antitrust, improper payments and atomic energy licences was scheduled to start yesterday in U.S. District Court in Akron, Ohio.

Babcock has pointed out that other legal proceedings involving the UT proposal are pending elsewhere. The U.S. Court of Appeals in Washington has under consideration the relationship of the Atomic Energy Act to the proposed tender offer. A trial involving issues of antitrust, improper payments and atomic energy licences was scheduled to start yesterday in U.S. District Court in Akron, Ohio.

Inland Steel hopeful for second quarter

INLAND STEEL Company chairman Frederick G. Jaicks said he hopes the company's second quarter earnings will match or surpass the \$1.86 a share earned a year ago, Reuters reports from New York.

Carter Hawley record

CARTER HAWLEY Hale Stores reports that sales and earnings in the first quarter of the current year reached record levels, with sales up by 6.5 per cent. from \$98m. to \$107.5m. in the 13 weeks ended April 30.

Hearings on Babcock bid

BABCOCK AND WILCOX resistance to the proposed tender offer by United Technologies Corporation for Babcock stock was maintained following the ruling by an Ohio hearing officer that UT proceed with the offer.

BOND TRADE INDEX

Table with columns for Bond Type (Medium term, Long term, Convertible) and Yesterday's/Tuesday's prices.

Stevin profit upturn

STEVIN, the Dutch construction group with five subsidiary companies in the U.K., increased net profits during 1976 to Fls.31.0m. from Fls.17.5m. in the previous year, reports Michael Cassell.

German plant orders

GERMAN HEAVY plant producers expect a satisfactory level of incoming orders for 1977 but will probably not be able to improve on the DM14.1bn. of new orders recorded in 1976, Theodor Blessing, Board spokesman for the Production Study Group said, reports Reuters from Frankfurt.

Bank Handlowy w Warszawie S.A., Poland. Finance for the construction of 2 hotels in Gdynia, Poland. To be built by Cementation International Limited, London. £13,165,272 loan to Bank Handlowy w Warszawie S.A., Poland. Under the Guarantee of The Export Credits Guarantee Department. Arranged by Kleinwort, Benson Limited. And Provided by Lloyds Bank Limited. US \$19,000,000 Medium Term Loan to Bank Handlowy w Warszawie S.A., Poland. Managed by: Kleinwort, Benson Limited, Lloyds Bank International Limited, Midland and International Banks Limited, Western American Bank (Europe) Limited. Provided by: Dow Banking (Overseas) Limited, Kleinwort, Benson Limited, Lloyds Bank International Limited, Merrill Lynch International Bank Limited, Midland and International Banks Limited, Midland Bank Trust Corporation (Guernsey) Limited, Western American Bank (Europe) Limited. Agent Kleinwort, Benson Limited.

Matthew Hall

International Engineering Group. Highlights from the Statement by Sir Rupert Speer, Chairman.

Profits before taxation amounted to £4.6m, compared with the interim forecast of not less than £4m. The maximum permitted dividend is recommended.

The contribution to profits from both UK and Overseas operations by the Mechanical and Electrical services business exceeded expectations. A good contribution to profits was made from this part of the operations in Australia.

In the Engineering companies the policy of extending the traditional base of activities into the energy industries has met with considerable success. Overseas, the Dutch subsidiary has taken advantage of the investment opportunities available in Holland but in Belgium investment in plant is virtually at a standstill. Australia has been passing through a difficult economic period but there are signs of an improvement in the investment climate.

Despite the depressed state of the building and construction industry it is fortunate that the Group started the current year with a large order book. Recent efforts in widening our range of activities into growth areas have contributed to this and give confidence for the future, and it is expected that the results for this year will be better than the record profits of last year. Furthermore, the Group is steadily moving into overseas areas, although it will be appreciated that it takes time to become established in a new market and for profit to be generated.

Comparative Figures table with columns for 1972, 1973, 1974, 1975, 1976 (in £000). Rows include Turnover, Capital Employed, Profit before tax, Profit attributable to shareholders, Dividend per share.

Copies of the Annual Report and Accounts 1976 are available from the Secretary, Matthew Hall & Co., Limited, Matthew Hall House, 101-108 Tottenham Court Road, London W1A 1BT.

Handwritten signature or stamp at the bottom center of the page.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Sharp increase in French external borrowings

By FRANCIS GHILES

PORTS circulating in the international capital markets that the French Treasury had decided to increase its borrowing...

stress that France's guaranteed external debt remains small, both in relation to the country's gross domestic product...

Swiss Franc borrowings have increased sharply both in absolute terms and relative to the other two currencies...

Table with 4 columns: Type of Debtor, Amount outstanding at Dec 31, 1976, Amount outstanding at March 4, 1977, and Additional debt guaranteed during the period.

Hutchison increases terms for Swift

By James Finch

SYDNEY, May 25 HONG KONG group Hutchison International has lifted the offer price in its partial takeover...

Earlier this month, Hutchison, which already held 25.5 per cent of Swift, announced a two-pronged approach to lift its holding to 51.96 per cent.

To ensure that it would obtain its target, and make Swift a subsidiary, Hutchison also planned to invite the minority holders to offer any additional shares...

Deloitte advised that a 20 cents lift to \$4.70 would be a commercially fair and reasonable price.

BANKING IN THE UAE

The authorities crack down

By KATHLEEN BISHTAWI IN ABU DHABI

OVER THE past five years the United Arab Emirates has been one of the wider frontiers of banking. At the very least the closure of the Ajman Arab Bank...

national banks to apply for restricted banking licenses permitting them to undertake all business except in the domestic retail field...

passed. In Dubai and Sharjah developers now reckon to recover their investment in residential or commercial premises in four years rather than three.

"unease" and would intensify pressures on some banks. The currency board had no obligation to save depositors and had never promised that it would, he acknowledged, adding that there were other "moral" aspects and the reputation of the UAE as a financial centre to be taken into account.

There are no less than 56 banks with 302 branches in the United Arab Emirates... which is without doubt the most over-banked territory in the world.

Although it has yet to be formally accepted by President Zayed and Sheikh Hamdan Bin Rashid the Finance Minister, it seems certain that Mr. Scott—an ex-Bank of England man who came to Abu Dhabi from the International Monetary Fund...

very apparent in January. Then the failure of the Abu Dhabi and Dubai Government to supply the Currency Board with sufficient foreign exchange from their oil revenues led to a weakening of the Dirham on the market.

Discussions Mr. Nurul Islam, Governor of the Bangladesh Central Bank, was in Abu Dhabi for discussions with the Currency Board over the future of the bank. It was not known whether the closure would be permanent or would be lifted if some way were found to bail it out.

Licences Competing with each other for business and believing that their states could not have too many banks, the rulers have generally been opposed to restraints on the extraordinary proliferation of banks since independence was achieved in 1971—and even before in Dubai, the main commercial centre in 1973, however.

There was no official explanation for its difficulties but financiers in the UAE said many small financial institutions were caught with long-term lower-interest loans outstanding and the need to borrow in short-term higher-interest money.

As for Mr. Scott, he may depart in the near future, satisfying that a necessary and overdue point has been made. The crash of the Ajman Arab Bank could be the start of some banking rationalisation, but the impression is that the UAE government will not allow another failure to occur.

Ampol sees first half earnings slump

By OUR OWN CORRESPONDENT

SYDNEY, May 25. AMPOL PETROLEUM, the Australian-owned petroleum company, has announced that its first half earnings will be lower than last year's.

It is the equity earnings of the Industries Assistance Commission that Ampol's result would have dropped 35 per cent from \$43.63m to \$28.26m.

The April-September half year is traditionally better and the directors are again expecting an improvement. With the temporary price-income freeze now over they expect the prices justification tribunal to approve sales rising about 10 per cent compared with a total market growth of 5.5 to 6 per cent.

Profit fall reported at Komatsu

TOKYO, May 25.

KOMATSU consolidated net profit for 1976 fell 14.3 per cent to ¥15bn from ¥17bn. In the prior year, the manufacturer of construction machinery said, reports AP-DJ from Tokyo.

Mr. Scott's resignation

Mr. Scott's resignation from the Currency Board has been accepted by the UAE government. He is believed to be planning to give his blessing to yet another new bank.

Irvine sale approved

DIRECTORS OF the James Irvine Foundation formally approved sale of the Irvine Company to Taubman-Alten-Irvine for \$337.5m, or \$40.10 a share. Reuter reports from San Francisco.

UAE currency board

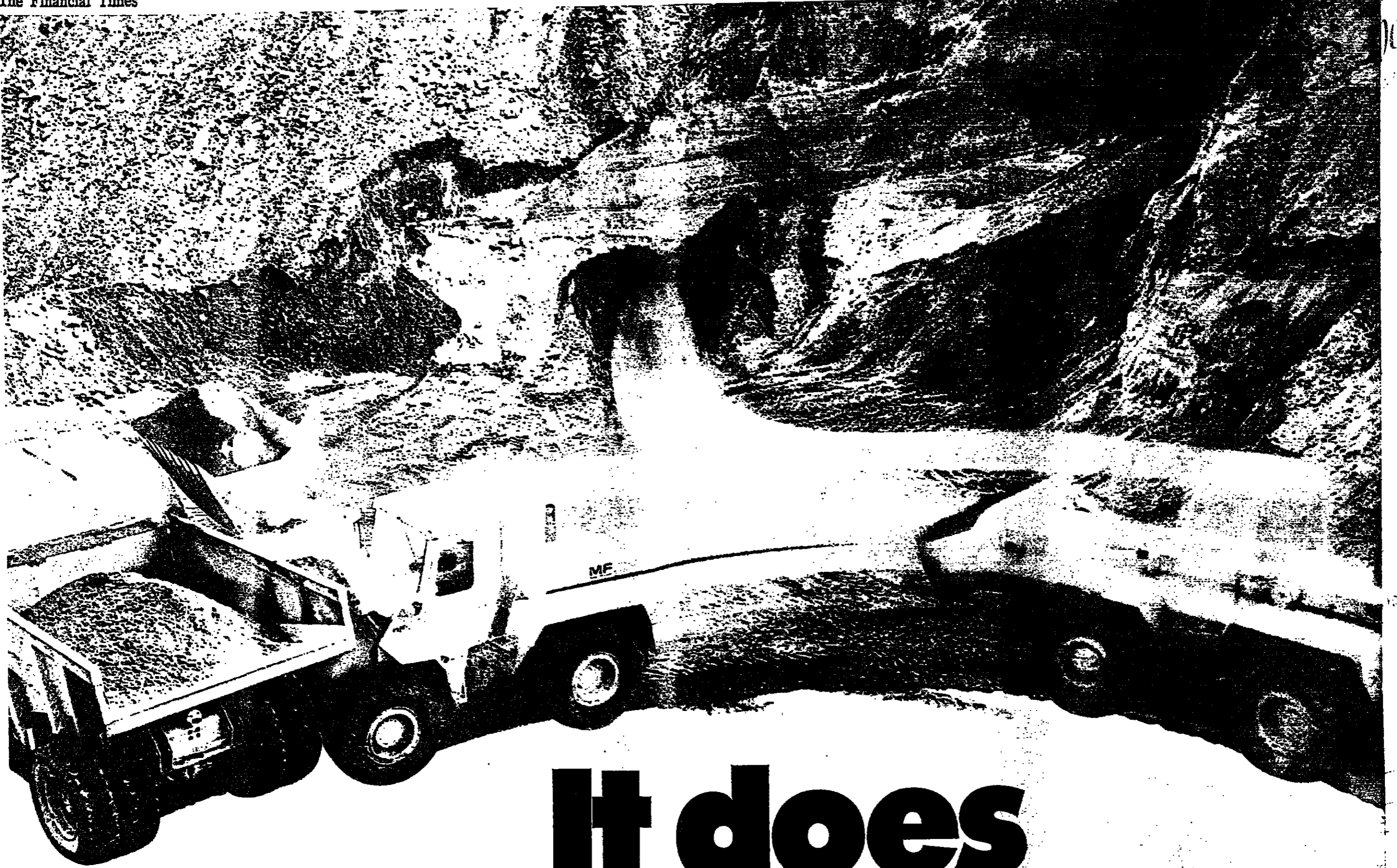
The UAE currency board has been set up to regulate the money supply and to act as a lender of last resort. It is expected to start operations in the near future.

Table with 4 columns: Weekly Net Asset Value, Tokyo Pacific Holdings N.V., U.S. \$ 40.39, and YONTORRE EURO BOND INDICES.

Table with 4 columns: STRAIGHTS, MID-DAY INDICATIONS, and D-MARK BONDS.

FUERZAS ELECTRICAS DE CATALUÑA, S.A. (FECSA) U.S. \$80,000,000 6 YEAR TERM LOAN. MANAGED BY BANK OF MONTREAL, BANQUE EUROPEENNE DE CREDIT (BEC), KLEINWORT, BENSON LIMITED, NATIONAL WESTMINSTER BANK GROUP, MORGAN GRENFELL & CO. LIMITED, UNION BANK, ALGEMENE BANK NEDERLAND N.V., COMMERCIAL CREDIT INTERNATIONAL BANKING CORPORATION, GULF INTERNATIONAL BANK, ORION BANK LIMITED. PROVIDED BY ALGEMENE BANK NEDERLAND N.V., BANK OF MONTREAL, BANKERS TRUST COMPANY, THE CHASE MANHATTAN BANK, N.A., THE CONNECTICUT BANK AND TRUST CO., ERSTE OESTERREICHSISCHE SPAR-CASSE, INTERNATIONAL WESTMINSTER BANK LIMITED, KLEINWORT, BENSON LIMITED, MORGAN GRENFELL & CO. LIMITED, PIERSON, HELDING & PIERSON, SAL OPPENHEIM JR AND CIE, SECURITY PACIFIC BANK, U.S. TRUST CO. OF NEW YORK.

carpets international Fit, lean and full of enterprise. Group sales exceeded £100m for first time. Group pre-tax profits up 41 per cent to £3.53m. UK turnover, including direct exports, increased from £69.7m to £77.3m, and UK profits before taxation up from £2.5m to £4.8m. Overseas turnover of locally produced products increased from £19.5m to £21.0m and most companies reported improved results. Heavy losses in Australian subsidiary but profitability expected to be restored in the near future. £3.2m spent on new capital equipment and future capital expenditure authorised at the end of the year exceeded £6.0m. Roger Wake, Chairman. The Annual General Meeting was held on 25 May, 1977 in London. Copies of the 1976 Report and Accounts are available on request from the Company Secretary. Carpets International Limited, Kidderminster, Worcestershire.



It does 25 hours work every day.

The proved efficiency and short cycle time you get with the Massey-Ferguson MF 55C mean that you can pack more working hours into every day.

The superior breakout force of the MF 55C combined with its fast digging and dumping capability, makes it easy to understand why we're a world leader in the industrial and construction machinery business.

The MF 55C is one of a complete range of nine wheel loaders.

They, in turn, form just part of our comprehensive range of more than 40 industrial and construction machines.

With such technically advanced products, backed by long-established servicing and distribution in 190 countries, it's small wonder our industrial and construction machinery business has grown 60 per cent in the last two years.

At the end of the day, it all adds up to one thing. When you have a tough job that needs to be tackled efficiently, you must consider Massey-Ferguson.

MF
Massey Ferguson

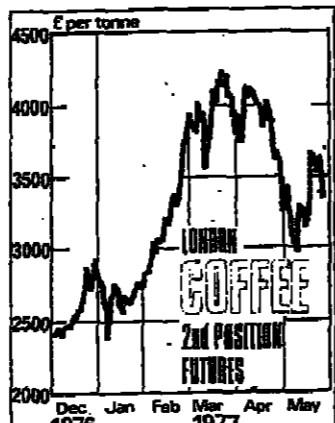
FARMING AND RAW MATERIALS

Malaysia tin mining land plea

By Our Own Correspondent
KUALA LUMPUR, May 25. MALAYSIAN TIN miners have made another appeal for the state authorities to open up more land for mining to check the decline in tin production...

Colombia tax cut rumour hits coffee values

BY RICHARD MOONEY
COFFEE PRICES fell sharply on the London market yesterday with the July position closing \$192 lower at £3,342.5 a tonne...



rises are inevitable this year with consumers likely to react most strongly at levels of DM18 to DM20 a pound. Herr Gerhard Zinsler, general manager for Germany of the Zurich-based Jacobs Group...

Easier trend in world sugar prices

By Our Commodities Editor
WORLD SUGAR values eased on the London futures market yesterday. The London daily price for raw sugar was cut by £2 to £124 a tonne...

Brazilian Agriculture: Pepper crop fungus threat worsens

BY SUE BRANFORD
DISEASE IS threatening the future of pepper production in Brazil, the world's fourth largest exporter, which accounts for a tenth of world sales...

Table titled 'BRAZILIAN PEPPER' showing Area (acres), Production (metric tonnes), Export volume (metric tonnes), and Export value (U.S. dollars) for years 1973, 1974, 1975, and 1976.

U.S. aluminium workers back new contract

NEW YORK, May 25. THE ALUMINIUM industry conference, consisting of representatives of various aluminium industry local unions voted overwhelmingly in favour of a new three-year labour contract...

Big world wheat yield forecast

BY JOHN EDWARDS, COMMODITIES EDITOR
WORLD WHEAT production is tentatively forecast to fall only slightly this year from the record level of 417m. tonnes last year...

No new appeal on Hunt soya ruling

CHICAGO, May 24. THE COMMODITIES Futures Trading Commission does not plan to appeal further against an order permitting the Hunt family to exercise all rights of their soybean futures contracts...

Timber demand slumps

U.K. CONSUMPTION of softwood in the first quarter of this year was 1,533,000 cubic metres, down 16.5 per cent on a year ago...

Coconut hybrid project starts

MANILA, May 25. THE PHILIPPINES will start planting 70,000 coconut seedlings of Malaysian dwarf and African tall varieties in July...

COMMODITY MARKET REPORTS AND PRICES

Table of commodity prices including Base Metals (Copper, Lead, Zinc), Coffee (Arabica, Robusta), and Sugar (Cane, Beet).

Table of commodity prices including Wheat (Wheat), Soybeans, and Oilseeds (Soybean Meal).

Table of commodity prices including Rubber (RSS, Smoked Sheet), Cotton (Cotton Lint, Cottonseed Oil), and Wool (Wool).

Table showing L.G. Index and July Cocoa prices.

Table of wool futures prices including LONDON WOOL PRICE (raw fuzzy) and WOOL FUTURES.

Table of price changes for various commodities like Tin, Nickel, and Aluminium.

Advertisement for Prescot's commodity services, including a table of why clients prefer Prescot and details of their services.

Advertisement for U.S. Markets and Metals, including a table of price changes and information about metals and grain close mixes.

Advertisement for Sensational—22 more pages, offering expanded commodity service with charts and indicators.

Advertisement for SOYBEAN MEAL, discussing market spread and price fluctuations.

Advertisement for STOCKBROKERS, highlighting the benefits of private clients and stock exchange procedures.

Advertisement for MEAT/VEGETABLES, discussing market trends and price changes for various meat and vegetable products.

Advertisement for Need for more confidence in U.K. farming, featuring a quote from a farmer about government support.

Advertisement for FINANCIAL TIMES, featuring a table of stock prices and information about the newspaper's financial services.

FINANCIAL TIMES SURVEY

Thursday May 26 1977

Yugoslavia

David Lascelles

European Correspondent

YUGOSLAVS, who never chance to drive home the message to communists and to like that their country belongs to neither East nor West are having a busy time.

President Tito has just celebrated his 85th birthday, an occasion that produced volumes of Yugoslav non-alignment, the supreme symbol of the Yugoslav people's longest leader, Josip Broz Tito.

But not wholly surprised, for instance, when the Russians hinted at the Soviet-Yugoslav summit last winter that the two countries might co-operate more closely in military matters. And though Yugoslavia's relations with the West are improving fast, there are always incidents like the Sonnenfeldt Doctrine "leak" to make Belgrade wary.

The Yugoslavs were annoyed but not wholly surprised, for instance, when the Russians hinted at the Soviet-Yugoslav summit last winter that the two countries might co-operate more closely in military matters. And though Yugoslavia's relations with the West are improving fast, there are always incidents like the Sonnenfeldt Doctrine "leak" to make Belgrade wary.

A self-declared political and economic no man's land between East and West, Yugoslavia is becoming both more stable and more prosperous. President Tito is still the linchpin of his country's cohesive development, but the outlook for his successor is better than ever before.

In public, while anyone who interferes with the management system risks being driven from office to cries of "technocrat". Economically, too, the country is in better shape. Inflation has come down in line with world trends, and the slight strengthening of foreign and internal demand has given a spur to production.

The growth of industrial output this year is officially expected to be in the region of 6 per cent, compared with the 3.4 per cent registered last year. However, unofficially, it is hoped that it could reach 9 per cent, depending on how agriculture fares.

The chaotic state of internal credit which enabled many companies to get away without paying their bills for long periods, if at all, has also been largely eliminated by tough Government measures. Inevitably many companies were pushed close to the wall in the process, and some might even go bankrupt.

This could be damaging in a country where unemployment is high. But Yugoslavia's market socialist outlook views the demise of lame ducks as a healthy process. The main worry now is the slow rate of industrial restructuring as planners try to develop primary exports, and a year-end deficit partner, has also made Belgrade nervous about its foreign trade prospects.



In fact, with many of the earlier stresses and strains now easing, Yugoslavia's preoccupations are less with the present than with the future.

In a year's time the country will hold the next of its four yearly party congresses, and these are always occasions to take stock and point the way forward.

Focus of interest at this event will be the implementation of the far-reaching constitutional reforms of 1974. One of these, the introduction of the delegate system of government to replace the deputy system has not been without its problems. It is based on an immensely complex power pyramid with each level delegating representatives to the next one up. But though it draws a high proportion of the population into the decision-making process, it has proved very time-consuming.

Ironically the League of Communists is also worried that too many of the delegates are party members. It would like to see more outsiders taking part.

The second reform, the refinement of the self-management system round basic work units, may be tough, but he has also created living standards and a political atmosphere which carried out—in the banking field, for example. Even so, the ideas that Yugoslav ideologists are trying to put into practice management ideology is an are quite novel and deserve more attention in the West.

| BASIC STATISTICS | |
|-------------------|-----------------------|
| Area | 98,766 sq. miles |
| Population | 21.4m. |
| GNP | YD407.2bn. |
| Per capita | YD19,258 |
| Trade (1976) | |
| Imports | YD134.0bn. |
| Exports | YD88.5bn. |
| Imports from U.K. | £125m. |
| Exports to U.K. | £32m. |
| Currency: | |
| | New Y. Dinar £1=31.42 |

That they tend to get ignored is probably due in some measure to the unfamiliarity of the Balkans as a breeding ground for new political ideas. Many outsiders also take the erroneous view that self-management is an elaborate charade designed to conceal the party's iron grip on the country. While the League undoubtedly has a decisive influence, the system is, in fact, more genuine than many suppose.

Even so, everything in Yugoslavia comes back to one man, President Tito, whose longevity is in one sense a blessing but in another a growing problem.

It would be hard to deny Tito's contribution to bringing about stability in a region with such a turbulent history. And every year he survives permits stability to strike deeper roots. Yugoslav unity is strengthening, and the elaborate succession mechanism that Tito has devised for himself is becoming more established.

On the other hand, each birthday only heightens speculation about Yugoslavia's future, and brings closer the possibility of some far-reaching change. Internally, too, anticipation of change grows stronger, and it would not be surprising if officials find long-term planning difficult.

But there can be no question that on balance Tito's survival is a good thing. In international terms he is the bulwark keeping out both East and West, which, if they ever flowed together into Yugoslavia would make a highly explosive mixture. His policies may be tough, but he has created living standards and a political atmosphere which carried out—in the banking field, for example. Even so, the ideas that Yugoslav ideologists are trying to put into practice management ideology is an are quite novel and deserve more attention in the West.

Speculation

The 85th birthday of any leader would be enough to prompt speculation about his country's future, but Tito's anniversary adds Yugoslavia calmer than it has been for some time.

The last 12 months have not brought any big political problems of the kind that caused strains earlier in the decade. There have been fewer, publicised, cases of dissent either by liberals or those shadowy characters at the other end of the political spectrum, the Stalinists.

And it is now three years since Tito straightened the country out after rebels threatened both its unity and its self-management ideology. Only the most reckless nationalist would now raise his voice

in public, while anyone who interferes with the management system risks being driven from office to cries of "technocrat". Economically, too, the country is in better shape. Inflation has come down in line with world trends, and the slight strengthening of foreign and internal demand has given a spur to production.

The growth of industrial output this year is officially expected to be in the region of 6 per cent, compared with the 3.4 per cent registered last year. However, unofficially, it is hoped that it could reach 9 per cent, depending on how agriculture fares.

The chaotic state of internal credit which enabled many companies to get away without paying their bills for long periods, if at all, has also been largely eliminated by tough Government measures. Inevitably many companies were pushed close to the wall in the process, and some might even go bankrupt.

This could be damaging in a country where unemployment is high. But Yugoslavia's market socialist outlook views the demise of lame ducks as a healthy process. The main worry now is the slow rate of industrial restructuring as planners try to develop primary exports, and a year-end deficit partner, has also made Belgrade nervous about its foreign trade prospects.

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NEWS FROM ENERGOINVEST

THE CONSTRUCTION OF THE NEW LINE OF HIGH VOLTAGE SF6 CIRCUIT BREAKERS WITH MORE THAN 90% UNIFIED PARTS

The well known Yugoslav company Energoinvest, which is organised under Yugoslav law as a complex organisation of associated labour, includes not only production plants but also institutes which supervise the quality of all Energoinvest's products. The task of these institutes is also the development of production technology, new inventions and rationalisation in all fields of Energoinvest's activities.

Two of these institutes are concerned solely with the activities in the field of electrical equipment and electrical apparatus of high and low voltage. These are: The Institute for the Testing of Electrical Power and Safety and the Institute for Experimental Research of Electrical Power. Both these institutes possess extremely well equipped laboratories with the most up to date equipment: laboratory for high and low voltage, and a laboratory for research and high power testing of electrical apparatus and equipment of high voltage. These laboratories employ eminent scientists from the Electrotechnical Faculty of Sarajevo University, as well as a team of young talented scientists and research workers of Energoinvest with the average age of 30. It was directly due to these young engineers-research scientists that the construction of the line of the new SF6 type of high voltage circuit breaker was completed.

This extremely professional group gave themselves three targets:

- To discover the possibility of applying gas SF6 as a medium for electrical arc extinction and electrical insulation in high voltage circuit breakers and high voltage switchgear.
- To construct an SF6 circuit breaker of high performance and simple construction, suitable for easy and fast erection.
- To make possible the unification of the main assembly and other parts of the circuit breaker.

The team, led by Zoran Gajic, fulfilled all those targets and this new invention will be shown at the forthcoming exhibition "Electro 77" in Moscow.

The achievement of Energoinvest's experts can be summarised as follows: they successfully developed the line of puffer type SF6 circuit breakers for outdoor installation, rated voltage 123/145 kV, 245 kV and 420 kV. Apparatus of this type is constructed on the modular principle and in that way a high degree of unification of the main assembly and joint parts of circuit breaker was obtained. Consequently, the circuit breakers have over 90% unified joint parts. This makes the production and subsequent erection much more convenient.

On the basis of interrupter element and operating mechanism taken over from the apparatus type SF6, the same team have also constructed the SFI type of circuit breaker, which is built into gas insulated metal enclosed switchgear, rated voltage 123/145 kV. These installations have been produced for the last two years by the Energoinvest electrical apparatus factory and supplied to the electrical industries throughout Yugoslavia.

The SF6 circuit breakers, type SFE and SFI were subjected to extensive tests in home and foreign laboratories and they satisfied all the conditions laid down by the IEC standards, as well as many other national standards. Very significant results were obtained during switching tests carried out in the Dutch KEBA laboratories. For example: on one breaking element of these circuit breakers, the rated breaking capacity of 31.5 and 40 kA was confirmed on the basis of the rated voltage 145 kV and the possibility of an efficient interruption of short circuit current of 50 kA was proved. The breaking time of the busbar fault did not exceed two cycles of a.c. current (50 Hz). Contact erosion was very slight. The results of the tests carried out, bearing in mind the simplicity and toughness of the breaking element and service life mechanism, justified the expectations that the breakers of the types SFE and SFI in service life will have a high degree of reliability, together with a significant reduction in inspection and maintenance.

In all the development stages of the new SF6 breaker experts of the Energoinvest's institutes were in close co-operation with the relevant factories of Energoinvest: Tvornica Elektroaparata (electrical apparatus) and Tvornica Elektrotehnečkog Porcelana (electrical ceramics).

In this way they succeeded in carrying out the whole project from early design stage to the finished unit. This resulted in early completion which is very unusual for development work of this nature. As a result Energoinvest electrical apparatus factory has included the breakers of the types SFE and SFI into full production much earlier than originally planned.

Co-operation between the production units and scientific institutes within Energoinvest gave excellent results which are of great value for the Yugoslav economy in the widest terms.

Further information, including the film, concerning this article may be obtained from: Public Relations Office, Energoinvest, POB. 138, 71000 SARAJEVO, Yugoslavia and Energoinvest, London Office, Imperial Buildings, 56 Kingsway, London WC2B 6DX.

POLE OF SF6 CIRCUIT-BREAKER TYPE SFE 14 FOR 245kV

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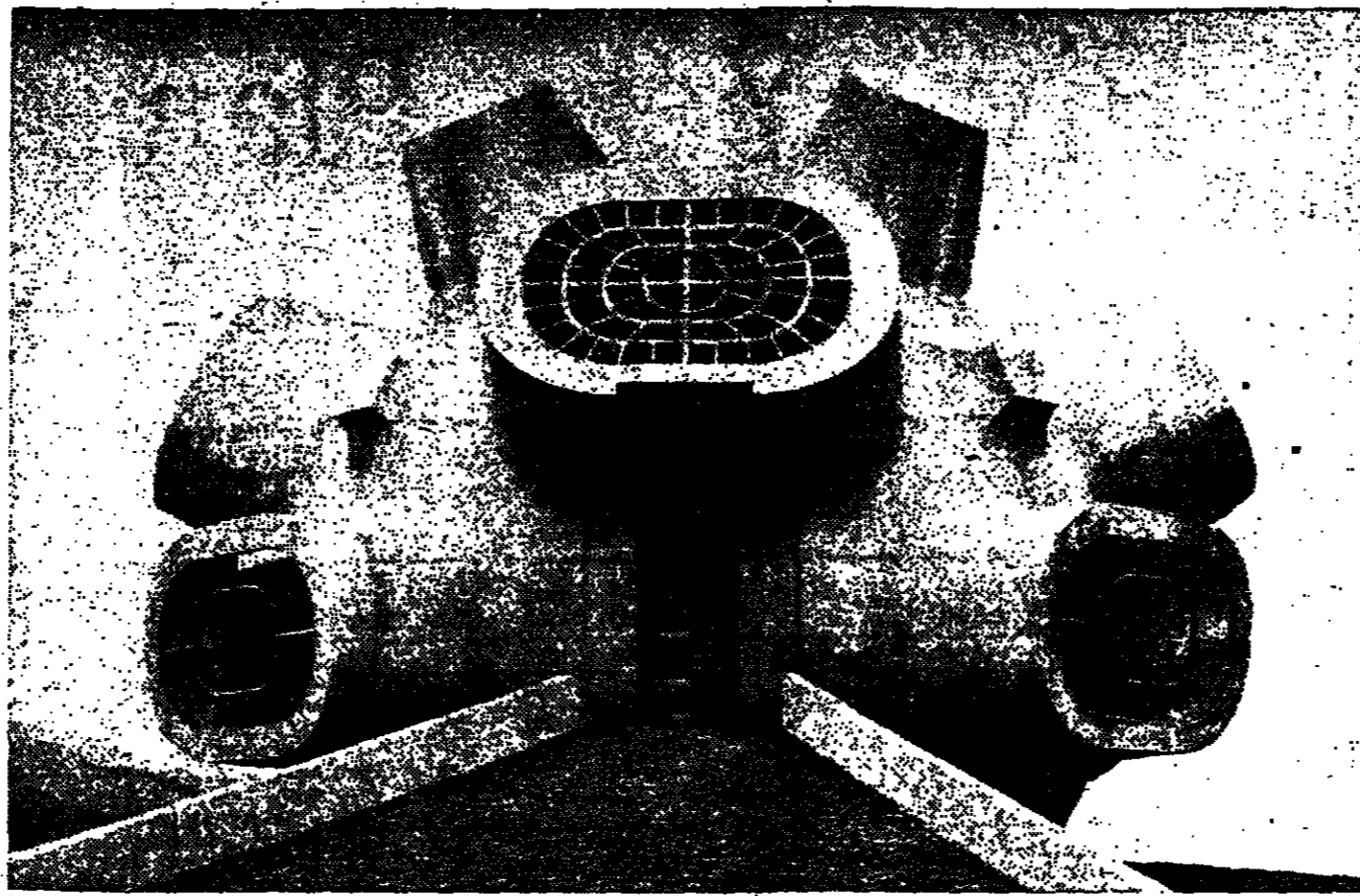
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YUGOSLAVIA III



The monument at Krusevo which commemorates the 1903 Uprising.

Looking towards Brussels...

FINELY BALANCED though slowing down the growth of Yugoslavia's foreign policy... In fact, Yugoslavia makes no secret of its desire to forge close economic links with the West...

preferences and credits from the European Investment Bank... But though these pledges by the EEC were welcome in Belgrade, the main achievement of the visit from the Yugoslav point of view was the implicit commitment by the Community to take fuller account of Yugoslav interests...

...and the view the other way

IT WAS LAST December that young cattle into EEC markets... Mr. Max van der Stoep, the Dutch president in office of the EEC Council of Ministers, and agreement in October 1973...

not surprising that the joint declaration should have pointed to the need to increase Yugoslav exports to the Community... Another major consideration for the EEC is that before long, two of Yugoslavia's Mediterranean neighbours, Greece as well as Italy, will be members of the Community...



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Robin Reeves

YUGOSLAVIA V

Tourist demand at a watershed

ONLY 26m. or seven per cent more foreigners entered Yugoslavia in 1976 than the year before, but they spent 7 per cent fewer nights than in 1975. Nevertheless, foreign exchange earnings from tourism rose 4 per cent. (In convertible currencies 5 per cent.) as officially registered income. This does not take account of earnings from private and public rooms and services, which brought total earnings over \$1bn., about the same as in 1975, or slightly more than that.

It means that the tourist industry, which in the 1960s and early 1970s was one of the dynamic industries, was not less stagnating in 1976. Prospects for 1977 are not very bright, but tourist officials believe that 1978 or at least 1979 will bring a change for the better.

Nothing being done to secure new hotels are being built the current season 20,000 beds have been added, not in those in camps and in private sector). Foreigners can buy petrol with a 10 per cent rebate. Transport services have been improved, border crossings opened a total of 102, 16 airports in the country are open for international traffic, and visas have been abolished with more than 100 countries. Greece and Albania have been abolished but Spain may do so.

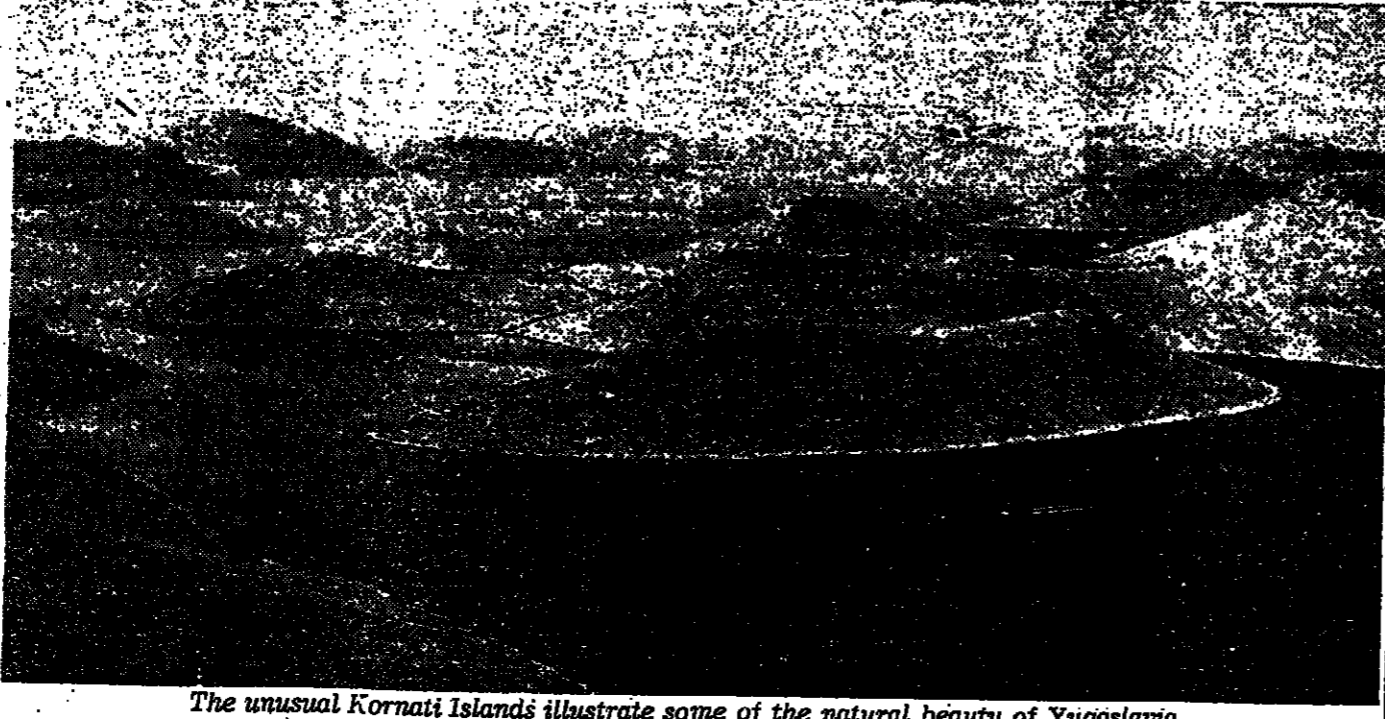
The emphasis in recent years has been on improving the quality of services. Yugoslav officials readily admit that in respect of hotels, shops and the like, they have been working to educate people into contact with tourists. The simple truth is that tourism is one of the decisive factors in the growth of the Yugoslav economy.

Efforts to improve services on other are much diversified than a few years ago, when the main emphasis was on developing the coast and selling "sun and sand." Other parts of the country have now been opened up, new roads, hotels and resorts constructed. Tourists choose between the coast and the mountains, lakes, etc. and use special interests such as nudist beaches, go on coach tours, excursions, cultural monuments or festivals, the best known of which is the Dubrovnik Summer Festival. There are arrangements for bird-watching, fishing, horse-riding, farmhouse stays and many others.

One can spend a week on the coast and another in the mountains, and so on. It has also been done to develop "conference" tourism. In towns and cities, both on the coast and inland, have built facilities for international conferences. There are telephone and telex centres, not to mention the usual hotel services.

Meanwhile the Yugoslav tourist facilities abroad suggest that this was inadequate. There may be slightly better than comparative too many last. Much will depend on the weather in Yugoslavia and other hotels, which compare favourably in quality and price with hotels of the same category in other Mediterranean countries. But there are not enough category C hotels, boarding houses or facilities for families, such as apartments and bungalows, although 3,000 new beds of this type will be available this summer in Porec. Efforts are therefore being made to increase the number of smaller private boarding houses where the owners offer cooking facilities, serve meals or arrange for meals to be taken at a small private restaurant nearby.

Hotel prices have not changed in dollar terms since last year. The average for full board in double rooms on the coast is \$13.95 for A category hotels (\$13.92 last year) and \$10.31 (\$10.43) for B category hotels. Only prices in de luxe hotels have been increased by 17 per cent, from \$22.74 to \$26.53. Efforts will be made not to increase prices in 1978, or to limit the increase to the minimum. Some other prices, however, have been sharply criticised, mainly those of alcoholic and non-alcoholic beverages, which are higher than in other countries such as Italy or Greece. Particularly expensive are imported spirits, on which customs duties and taxes were increased a few months ago. Tourist organisations and the Government do not see eye to eye as to the wisdom of this.



The unusual Kornati Islands illustrate some of the natural beauty of Yugoslavia.

Regrettably, tourist officials point out, this year there will be far fewer British tourists. Britain is a notable exception to the rule that more visitors come than in organised groups. Some 90 per cent of British visitors have been coming in package tours. This year bookings have been halved. Economic difficulties offer part of the explanation. In addition there seems to be a lack of interest among the tour operators, who have less of a financial stake in Yugoslavia.

British tourists were in both 1975 and 1976 the fifth largest group, after the Western Germans, Austrians, Italians and Yugoslavs are interested in French. As they stayed longer on the average, they were organisational links with foreign partners, possibly along the same lines as in some East European countries (Poland, Hungary, Romania) where Italians foreign partners helped and Austrians build hotels and undertook to send guests to them.

But more than the send guests to them. Much has been written about the capital with the Adriatic port of Bar, via the mountain ranges of Serbia and Montenegro. Starting at sea level, it winds its way past Titograd on a gradient of one-in-40, and reaches a maximum height of 3,400 feet where the traveller who left Bar's sun-drenched beaches should not be surprised if he can get out and sid.

Quite apart from the tourist value, the railway performs two vital functions. Politically it realises a century-old dream to provide land-locked Serbia with a direct outlet to the sea. Economically it gives access to an area rich in natural resources. Not that the Belgrade-Bar line sets a pattern for future railway-building. It would probably never have been built in this day and age had it not been nurtured in Serbian breasts for so long. But other connections, both rail and road, are planned between the interior and the coast using less daunting routes.

These include a new rail route from Zagreb, Yugoslavia's main industrial centre through tunnels to Rijeka, and routes linking the interior cities with the main coastal resorts. An important aim is to improve communications with Sarajevo, the isolated capital of Bosnia Hercegovina, where industrial development is seriously hampered by the lack of ready access to the rest of the country.

But there was also the discouragingly large obstacle of terrain. All but the northern part of the country is mountainous, particularly along the coast, and this has made communication between the littoral and the heartland extremely difficult. The large port of Rijeka, for instance, is accessible from the interior only by twisting mountain roads. But a road tunnel is now to be driven through the Učka mountains to connect this important centre more directly with the region it serves, including central Europe.

Another illustration of the physical obstacles is the Belgrade-Bar railway which was opened last year. Now perhaps the most spectacular train ride in Europe, the railway connects

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Transport still a priority

FEW INTERNATIONAL highways have acquired quite the notoriety of the Yugoslav "autoput," that crowded and hair-raising ribbon of concrete that stretches the length of the country. But there is relief in sight for the 10m. tourists and lorry drivers from Europe and the Near East who brave it annually.

A major reconstruction programme has just started, and by 1985 the whole of the autoput should be transformed into a modern dual carriageway with four to six lanes. The first stretches to be completed will be 250km. south of Belgrade to Nis, and 150km. east of Zagreb in the north. Bottlenecks around Ljubljana will also get priority.

For most of the way, modernisation will consist of building a second carriageway alongside the first and then improving the old one. Cost of the work will be around \$2bn., about 40 per cent of which will come from abroad.

This is why international organisations like the World Bank and the European Investment Bank have been willing to put up money for the autoput, knowing that the elimination of the Yugoslav bottleneck will have a major impact on European communications.

But the modernisation programme also has its roots in Yugoslavia's determination to tackle once and for all the problems bestowed by a long neglected transport system. The Five Year Plan approved last year lays heavy stress on the need for better roads, railways, waterways and harbours, and it increases the share of overall investment available for this sector to some 18 per cent.

Part of the reason for neglect is poor regional co-ordination between republics, each of which is solely responsible for its communications. Another reason is the tendency to concentrate on industry at the expense of infrastructure.

Obstacle. But there was also the discouragingly large obstacle of terrain. All but the northern part of the country is mountainous, particularly along the coast, and this has made communication between the littoral and the heartland extremely difficult. The large port of Rijeka, for instance, is accessible from the interior only by twisting mountain roads. But a road tunnel is now to be driven through the Učka mountains to connect this important centre more directly with the region it serves, including central Europe.

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STOCK EXCHANGE REPORT

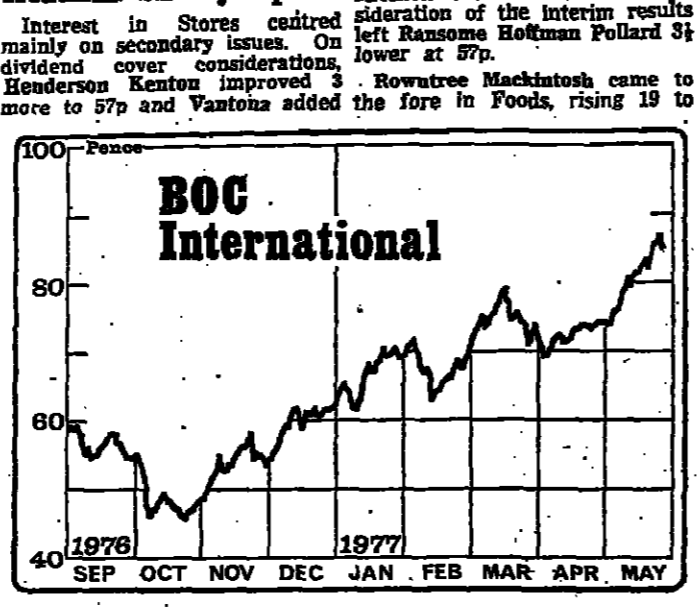
Shake-out in Gilt-edged undermines equity leaders
Falls in Funds to £1 1/8 - Share index reacts 9.7 to 462.5

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while the trend of the former was generally one-way. Corporations followed the main funds and established falls ranging to 1 1/2 points; the recently-issued Sunderland 12 1/2 per cent, 1984, stock returned to par in £10-paid form.

Ins. brokers firm
Insurance Brokers came in for a fair amount of support yesterday, largely on consideration of their high dividend covers.

the announcement and closed a penny off on balance at 64p. AP Cement were friendless, losing 10 to 12 1/2p on vague rumours of a bearish broker's circular.



Headlam Sims jump
Interest in Stores centred mainly on secondary issues. On 10th of firm and touched a 1977 peak of 40 1/2p but then turned back on lack of follow-through support to end off on balance at 38 1/2p.

took place outside of the leaders. Details of the dividend-boosting rights issue helped Martonair International add 8 to 14 1/2p, after 15 1/2p, while improvements of between 11 and 13 were recorded in Rotork, at 12 1/2p, Ductile Steels, at 14 1/2p, and APV, at 43 1/2p.

Shares opened at 87p. Falls of 8 were marked against Great Portland, 2 1/2p, Hamersson A, 4 1/2p, and Hardemere, 2 1/2p, while Chesterfield fell 7 to 18 1/2p. Samuel gave up 4 to 7 1/2p and Property Security a similar amount to 8 1/2p.

News that preliminary talks which could lead to a renewed offer to Beaverbrook Newspapers had broken off, leaving quotations at the day's lowest. Shell was rejected left Beaverbrook A 4 down at 54p.

FINANCIAL TIMES STOCK INDICES
Table with columns for various indices: Government, Fixed Interest, Industrial Ordinary, Gold Mines, Ord. Div. Yield, etc.

HIGHS AND LOWS
Table with columns for High, Low, High, Low, May 27, May 28. Includes Govt. Secs., Fixed Int., Ind. Ord., Gold Mines.

NEW HIGHS AND LOWS FOR 1977
Table with columns for Stock, Denom., No., Closing price, Change, 1977 high, 1977 low.

ACTIVE STOCKS
Table with columns for Stock, Denom., No., Closing price, Change, 1977 high, 1977 low.

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Table with columns for Issue Price, Annual Dividend, Interest Rate, Stock, etc. Includes sections for EQUITIES, FIXED INTEREST STOCKS, and RIGHTS OFFERS.

FT-ACTUARIES SHARE INDICES
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.
Table with columns for EQUITY GROUPS, GROUPS & SUB-SECTIONS, and FIXED INTEREST PRICE INDICES.

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts listing various funds such as Brown Shipley & Co. Ltd., Guardian Royal Ex. Unit Mgrs. Ltd., and others with their respective assets and performance metrics.

Table of Offshore and Overseas Funds listing international investment vehicles like Kemp-Ge Management Jersey Ltd., Fidelity Mgmt. & Res. (Bda) Ltd., and others.

LEADERS AND LAGGARDS

Table comparing the performance of various unit trusts, identifying top performers and laggards.

BASE LENDING RATES

Table showing base lending rates for various banks and financial institutions.

INSURANCE, PROPERTY, BONDS

Large table listing various insurance, property, and bond products from companies like Abbey Life Assurance Co. Ltd., Equity & Law Life Ass. Soc. Ltd., and others.

BASE LENDING RATES

Table showing base lending rates for various banks and financial institutions.

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Table of British Funds with columns for Stock, Price, Div, and Yield. Includes sub-sections for 'Shorts' and 'Five to Fifteen Years'.

CANADIANS

Table of Canadian stocks with columns for Stock, Price, Div, and Yield.

BUILDING INDUSTRY - Continued

Table of Building Industry stocks with columns for Stock, Price, Div, and Yield.

DRAPERY AND STORES - Continued

Table of Drapery and Stores stocks with columns for Stock, Price, Div, and Yield.

ENGINEERING - Continued

Table of Engineering stocks with columns for Stock, Price, Div, and Yield.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase stocks with columns for Stock, Price, Div, and Yield.

ELECTRICAL AND RADIO

Table of Electrical and Radio stocks with columns for Stock, Price, Div, and Yield.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics stocks with columns for Stock, Price, Div, and Yield.

ENGINEERING, MACHINE TOOLS

Table of Engineering and Machine Tools stocks with columns for Stock, Price, Div, and Yield.

INTERNATIONAL BANK

Table of International Bank stocks with columns for Stock, Price, Div, and Yield.

CORPORATION LOANS

Table of Corporation Loans with columns for Stock, Price, Div, and Yield.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits stocks with columns for Stock, Price, Div, and Yield.

CINEMA, THEATRES AND TV

Table of Cinema, Theatres and TV stocks with columns for Stock, Price, Div, and Yield.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. stocks with columns for Stock, Price, Div, and Yield.

LOANS (Miscel.)

Table of Miscellaneous Loans with columns for Stock, Price, Div, and Yield.

FOREIGN BONDS & RAILS

Table of Foreign Bonds and Rails with columns for Stock, Price, Div, and Yield.

DRAPERY AND STORES

Table of Drapery and Stores stocks with columns for Stock, Price, Div, and Yield.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads stocks with columns for Stock, Price, Div, and Yield.

HOTELS AND CATERERS

Table of Hotels and Caterers stocks with columns for Stock, Price, Div, and Yield.

AMERICANS

Table of American stocks with columns for Stock, Price, Div, and Yield.

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Table of American stocks with columns for Stock, Price, Div, and Yield.

Large table of Industrial stocks with columns for Stock, Price, Div, and Yield. Includes sub-sections for 'INDUSTRIALS (Miscel.)', 'HOTELS AND CATERERS', and 'AMERICANS'.

Handwritten note: 1000 1050

By 100 1.50

INDUSTRIALS - Continued

Table of industrial stock prices including companies like British Petroleum, Shell, and ICI.

MOTORS, AIRCRAFT TRADES

Table of stock prices for motor and aircraft related companies.

PROPERTY - Continued

Table of property-related stock prices.

TRUSTS - Continued

Table of trust-related stock prices.

TRUSTS - Continued

Table of trust-related stock prices.

NEW JAPAN SECURITIES Tokyo, Japan. London Branch Frankfurt Office. Tel. 245 6681 Tel. 500829

MINES - Continued

Table of mine stock prices including sections for CENTRAL AFRICAN, AUSTRALIAN, TINS, COPPER, and MISCELLANEOUS.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stock prices.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stock prices.

PROPERTY

Table of property-related stock prices.

SHIPPING

Table of shipping-related stock prices.

SHOES AND LEATHER

Table of shoes and leather-related stock prices.

SOUTH AFRICANS

Table of South African stock prices.

TEXTILES

Table of textile-related stock prices.

TORACOOS

Table of tobacco-related stock prices.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stock prices.

OILS

Table of oil-related stock prices.

OVERSEAS TRADERS

Table of overseas trader stock prices.

RUBBERS AND SISALS

Table of rubber and sisal stock prices.

TEAS

Table of tea stock prices.

SRI LANKA

Table of Sri Lanka stock prices.

MINES

Table of mine stock prices.

CENTRAL RAND

Table of Central Rand stock prices.

EASTERN RAND

Table of Eastern Rand stock prices.

FAR WEST RAND

Table of Far West Rand stock prices.

O.F.S.

Table of O.F.S. stock prices.

FINANCE

Table of finance-related stock prices.

DIAMOND AND PLATINUM

Table of diamond and platinum stock prices.

INSURANCE

Table of insurance-related stock prices.

NOTES

Notes section containing various financial notices and company announcements.

Recent Issues and "Rights" Page 40

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security.

REGIONAL MARKETS

Following is a selection of London quotations of shares previously listed only in regional markets.

OPTIONS

3-month Call rates

Table of 3-month call option rates for various stocks.

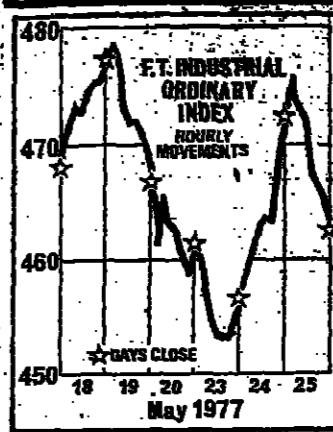
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Hydrovans Simply the best industrial and construction compressors

THE LEX COLUMN

Sterling back in the spotlight

Index fell 9.7 to 462.5



Although the swift reversal of most of Tuesday's sharp gains in the Stock Market...

adds, Fodens will be able to overcome the cash shortage which it has admitted has been holding back output.

The Government has recently been extolling the virtues of exchange rate stability...

R-R Motors/Fodens Rolls-Royce Motors says that Interation is visibly flattening out...

Marley Marley has managed to the building industry for a remarkably long period...

BOC International The growth curve at BOC International is visibly flattening out...

Continued from Page 1

Kuwaiti holdings in U.K. £400m.

BY MARGARET REID

SHAREHOLDINGS OF THE Government of Kuwait in British companies are now worth more than £400m.

Kuwait is much the biggest holder of British shares among the oil-rich countries. By backing Kuwait with purchases of shares even in the subdued market conditions of 1974-76...

British Steel £5bn. expansion strategy

BY ROY HODSON

THE NEW British Steel Corporation strategy finally emerged yesterday. It is to be a tight five-year plan to complete present expansion programmes...

The intention is to raise the corporation's crude steelmaking capacity from 27m. tonnes a year to 30m. tonnes a year during the five years while substituting a lot of new plant for old.

The £300m. Teesside plate mill is to go ahead. Sir Charles gave that assurance to the committee and ended months of uncertainty about the future of the project.

Leyland 'has found no bribes evidence'

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

BRITISH Leyland has so far discovered no evidence of bribery or corruption during the intensive investigations undertaken by the company following the "slush fund" allegation last week.



Mr. Alex Park (left), chief executive, and Sir Richard Dobson, chairman of British Leyland, arrive at the Dorchester Hotel for British Leyland's annual meeting.

Underlining this message at the annual meeting yesterday, Sir Richard Dobson, Leyland chairman, said that the company expected to be cleared of the "charges and innuendoes" levelled at it.

"So far, we have found no evidence to suggest that any payments have been made other than to the company's accredited agents or representatives in the ordinary course of business."

Our distributors and agents overseas, many of whom have been with us for a long time, are remunerated at agreed rates of commission relating to services required of them: these services may include carrying stocks of vehicles and parts, sales promotion and after-sales service as well as provision of local knowledge."

Sir Richard's statement follows the establishment of a comprehensive investigation of the company's overseas payments in the period since the new Board took office in 1975.

successfully parrying efforts by the new group organisation which it should be run as an integrated business.

He added, however, that the company would be trying to "foster local feeling" in the various operating plants in the "car" group...

Following representations from the Prime Minister, the Royal Commission on the Press is to consider whether its draft report adequately covers the issues raised by the Daily Mail allegations on British Leyland "slush fund" payments.

Charles Wintour, former editor of the Evening Standard attacks Vere Harmsworth, Associated Newspapers' chairman. Page 8.

Phillips makes new oil find in North Sea

BY RAY DAFTER, ENERGY CORRESPONDENT

THE PHILLIPS group has made a significant oil discovery in the North Sea, about 165 miles north-east of Aberdeen.

The Toni well, drilled on a structure immediately north of the Thelma Field, is reported to have encountered substantial thicknesses of oil-bearing rock. Testing this thick structure could take a month.

Phillips is refusing to comment on this latest find, on block 16/17, but it is understood that, along with other members of the offshore consortium, the company feels the well has transformed the commercial prospects of Thelma.

It is known that the Toni well, being drilled by the Western Pacesetter semi-submersible rig, was sunk to determine the northern limits of the faulted Thelma structure.

was speculating that Thelma could contain between 500m. and 700m. barrels of oil reserves — bigger than the Beryl or Thistle structures.

Two subsequent wells, Tina and Theresa, were dry and, as a result, the commercial potential of Thelma was thrown into doubt. Reserve figures were downgraded unofficially to less than 500m. barrels, the same as the U.K. sector of the North Sea.

The pendulum has now swung again, with at least one analyst reporting yesterday that the Thelma complex might prove to be a 1bn. barrel prospect.

Phillips is not likely to make an announcement before the end of next month. In the meantime, it is believed that the Western Pacesetter still is drilling at a depth below 3,000 feet, more than 800 feet beyond the total depth of the discovery well.

The field was discovered in July last year when the first well flowed at a rate of 6,100 barrels a day. It also produced 12m. cubic feet a day of associated gas.

chances for the construction of a gas-gathering pipeline system in the North Sea. The oil and gas industries are reviewing a £2bn. pipeline network.

Secondly, it would help to compensate for some disappointing drilling projects in quadrant 16 in recent months.

The Brae Field on block 16/17 was once reckoned to be one of the biggest discoveries in the U.K. sector of the North Sea.

British Gas is expected to start a five-well drilling programme in the Irish Sea in the next few weeks. The corporation will be testing on blocks 110/2 and 110/3, primarily to appraise the extent of its Morecambe gas field.

Bank men fly to help Arabs

BY RICHARD JOHNS

TWO Bank of England experts are to fly out this week at Arab Government invitation, to advise on measures to cope with the banking crisis in the United Arab Emirates, where the closure of the second bank in a week was announced today.

The Janata Bank of Bangladesh, which is owned indirectly by the Bangladesh Government, was shut after talks between the UAE Currency Board and the Government of the Central Bank of Dhacca, which, it is understood, could not provide the \$10m. said to be needed to save the bank.

Weather

U.K. TO-DAY WARM, sunny. London, S.E. Cent. S. and S.W. England, South Wales, Channel Islands. Cloudy; sunny intervals. Max. 20C (68F).

E. and N.E. England, Borders, Aberdeen, Edinburgh, Dundee. Dry, generally cloudy. Max. 15-16C (59-61F).

BUSINESS CENTRES

Table with columns for location, day, and temperature. Includes Amsterdam, Athens, Bahrain, Barcelona, Beirut, Belfast, Belgrade, Berlin, Brno, Brussels, Budapest, B. Aires, Cairo, Cardiff, Cologne, Copenhagen, Dublin, Edinburgh, Frankfurt, Geneva, Glasgow, Helsinki, H. Rome, J. Paris, London, Luxembourg.

HOLIDAY RESORTS

Table with columns for location, day, and temperature. Includes Ajapeco, Algiers, Alicante, Amalfi, Anacapri, Antalya, Athens, Biarritz, Blackpool, Bordeaux, Buenos Aires, Casablanca, Cape Town, Cancun, Caracas, Chania, Cheltenham, Chertsey, Cumbria, Cyprus, Faro, Florence, Frankfurt, Geneva, Gstaad, H. Rome, Innsbruck, Ischia, Istanbul, J. Paris, Jersey, L. Llorenç del Val, Madeira, Marrakech, Marbella, Marzamemi, Miami, Milan, Monaco, Naples, Nice, Palma de Maiorca, Palermo, Paris, Portofino, Rome, San Remo, Sicily, St. Moritz, Taormina, Tenerife, Venice, Zanzibar.

'Executive board' for Stock Exchange

BY MARGARET REID

THE Stock Exchange's full-time headquarters staff is being reorganised through the formation of an executive board, Mr. Robert Fell, chief executive, of a four-man management group which will have some of the character of an executive Board.

The group, which has been created by Mr. Fell to give the Exchange the most effective possible management structure, will consist of four senior officials, who will each have executive responsibility over an area of the organisation.

This will mean the insertion of an additional layer of responsibility into a structure in which Mr. Fell has hitherto directly supervised a considerable range of departments.

The four members of the management group will be Mr. Jeffrey Knight, deputy chief executive, with responsibility for the quotations and membership departments; Mr. Brian Emmerson (finance and property management); Mr. George Hayter (technical development); and Mr. Michael Hall (live services, planning and personnel).

With the completion of the design phase of the Tallman computerised settlement system, Mr. Michael Jenkins and Mr. Bill Hoar are leaving the Exchange by mutual agreement.

A rare pearl in a unique setting at Dunstable. Two minutes from Dunstable town centre. Within 2 miles of M1 (Junction 11). London 35 miles.

Air Conditioned Headquarters Office Building. 12-60,000 sq.ft. Rent £3.50 per sq.ft. New Factories and Warehouses. 10,000-100,000sq.ft. Rent £1.35 per sq.ft.

Fairview Still creating places to work, places to live.

Fairview advertisement featuring an image of a leaf and contact information: 60 Lancaster Road, Enfield, Midd. Telephone: 01-866 1271.

UAE crackdown, Page 31

Continued from Page 1